

Week of June 5, 2000

Vol. XXIX, #15, June 5, 2000

J.C. Watts, Jr.  
Chairman  
4th District, Oklahoma

## Monday, June 5

*The House Is Not in Session*

## Tuesday, June 6

*On Tuesday the House will meet at 10:30 a.m. for Morning Hour and 12:00 p.m. for Legislative Business*

*(No votes before 6:00 p.m.)*

### \*\* Ten Suspensions

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H.R. 3176	Directing a Study to Restore the Kealia Pond National Wildlife Refuge.....	p.10

## Wednesday, June 7 and the Balance of the Week

*On Wednesday and Thursday, the House will meet at 10:00 a.m. for Legislative Business.*

*On Friday, the House will meet at 9:00 a.m. for Legislative Business*

*(No votes are expected after 2:00 p.m.)*

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⇒ To be published in a future issue of the *Legislative Digest*

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# Designating the Washington Opera as the National Opera

H.R. 4542

Committee on Education and the Workforce  
No Report Filed  
Introduced by Mr. Goodling on May 25, 2000

## Floor Situation:

The House is scheduled to consider H.R. 4542 under suspension of the rules on Tuesday, June 6, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

## Summary:

H.R. 4542 designates the Washington Opera, organized under the laws of the District of Columbia, as the "National Opera."

## Background:

The Washington Opera, founded by Washington Star music critic Day Thorpe, is the resident opera company of the Kennedy Center. It became the first American opera company to produce a repertory season in two separate theaters, giving performances in the Opera House and the more intimate Eisenhower Theater. In addition to performances, the Washington Opera has formed education and community programs that serve a broad and diverse population. These programs have helped to educate both children and adults in the Washington area about the opera and have given those who would not normally have an opportunity to experience opera a chance to do so.

There are precedents for granting private institutions a "national" designation. Both the National Aquarium in Baltimore and the National Aviary in Pittsburgh received their "National" status by acts of Congress. This designation does not bring with it federal funding or subsidies, but gives the opera national prominence, which may increase ticket sales and fundraising opportunities.

## Costs/Committee Action

This bill was not considered by a House committee.



*John DeStefano 226-2302*

# Expressing Support for the United States Congressional Philharmonic Society

**H.Con.Res. 229**

Committee on Education and the Workforce  
Introduced by Mr. Davis on November 16, 1999

## Floor Situation :

The House is scheduled to consider H.Con.Res. 229 under suspension of the rules on Tuesday, June 6, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

## Summary:

H.Con.Res. 229 expresses the sense of the Congress that the United States Philharmonic Society should be applauded for (1) organizing the United States Congressional Choral Society and the United States Congressional Philharmonic Orchestra, (2) promoting a better understanding of American culture through sponsorship and support of these groups as they communicate through musical concerts and other multimedia performances throughout the world, and (3) promoting music through education and encouraging people to commit to expression of musical performance.

In April 1996, several senators and members of the House of Representatives met with musical director Maestro Martin Piecuch and formed the United States Congressional Choral Society. On May 20, 1998, the United States Congressional Choral Society debuted at St. Josephs Church on Capitol Hill, receiving a standing ovation. The United States Congressional Philharmonic Society will offer free public concerts in the Washington metropolitan area. These concerts will celebrate America and the fifty states and will encourage the development of young musical talent by providing educational programs and establishing internships and scholarships throughout the nation.

## Comittee Action

The bill was not considered by committee.



*Sarah Buzby 226-2302*

# Recognizing the Importance of African-American music to Global Culture Music

H. Res. 509

Committee on Education and the Workforce

No Report Filed

Introduced by Mr. Fattah on May 23, 2000

## Floor Situation:

The House is scheduled to consider H.Res. 509 under suspension of the rules on Tuesday, June 6, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

## Summary:

H.Res. 509 expresses the sense of the House that it (1) recognize the importance of the contributions of African-American music to global culture and the positive impact of African-American music on global commerce, and (2) calls on the people of the United States to take the opportunity to study, reflect on, and celebrate the majesty, vitality, and importance of African-American Music.

Indigenous to the United States, African-American music originates from different African genres of music. Its varieties such as blues, jazz, rhythm and blues, rap and hip-hop both add to and have their roots in the African-American experience. The prominence of African-American music in the 20<sup>th</sup> century has renewed interest in the legacy and heritage of the art form of African-American music and the resulting multibillion-dollar African-American music industry contributes greatly to the domestic and worldwide economy. Presidents Carter and Clinton have recognized June as African-American Music Month because of African-American music's positive impact on and broad appeal to diverse groups both nationally and internationally.

## Committee Action

The bill has not been considered by a House committee.



*John DeStefano 226-2302*

# Bills Designating Federal Post Offices

H.R. 4241, H.R. 3030

Committee on Government Reform

Introduced by Messrs. Ryan and Hinchey on April 11, 2000 and October 6, 1999

## Floor Situation:

The House is scheduled to consider the following two bills under suspension of the rules on Tuesday, June 6, 2000. Each is debatable for 40 minutes, may not be amended and requires a two-thirds majority vote for passage.

## Summary:

**H.R. 4241** designates the post office located at 1818 Milton Avenue in Janesville, Wisconsin as the “Les Aspin Post Office Building.” The late Mr. Aspin served as a Member of the House of Representatives from 1970-1992, where he was Chairman of the Armed Services Committee. In 1993, he was appointed Secretary of Defense for the Clinton Administration until his resignation in 1994. Mr. Aspin passed away on May 21, 1995 at the age of 57.

**H.R. 3030** designates the post office located at 757 Warren Road in Ithaca, New York, as the “Matthew F. McHugh Post Office Building.” Former Congressman, Matthew F. McHugh of New York, served on various committees including the Appropriations Committee, the Permanent Select Committee on Intelligence and the Committee on Standards of Official Conduct. He acted as Vice President of Cornell University from January, 1993 until April, 1993. He presently serves as counselor to World Bank President, James D. Wolfensohn.

## Committee Action:

H.R. 4241 was not considered by a committee.

H.R. 3030 was reported by voice vote from the Government Reform Committee on March 9, 2000.



*Sarah Buzby 226-2302*

# Clarifying Boundaries on the Map Relating to Unit NC-01 of the Coastal Barrier Resources System

H.R. 4435

Committee on Resources

No Report Filed

Introduced by Mr. Jones on May 11, 2000

## Floor Situation:

The House is scheduled to consider H.R. 4435 under suspension of the rules on Tuesday, June 6, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

## Summary:

H.R. 4435 clarifies certain boundaries on the map relating to Unit NC-01 of the Coastal Barrier Resource System, which includes Curritock County, North Carolina.

The Coastal Barrier Resources System was created by the Coastal Barrier Resources act of 1982. It consists of coastal barrier units represented on maps adopted by Congress. Coastal barriers are features of the landscape that act as natural protection for sensitive areas against wind, wave and tidal energy.

NC-01 was designated as a protected area in 1990 and a significant amount of privately and publicly developed property was included within the boundary of the protected area. In 1992, Congress directed the Secretary of the Interior to redraw the boundary to include the area owned by the National Audubon Society and the aquatic habitat of Pine Island Bay and Goat Island Bay. This new map failed to accurately portray the boundary and upon notification from the Fish and Wildlife Service, a new map was created. The correction removes the incorrectly labeled private property, and includes an associated aquatic habitat that was left out of the unit in 1992. This change will increase the unit by 2, 326 acres.

## Committee Action:

The Committee on Resources reported the bill by voice vote on May 24, 2000.



*Sarah Buzby 226-2302*

# **Shark Finning Prohibition Act**

## **H.R. 3535**

Committee on Resources

No Report Filed

Introduced by Mr. Cunningham on January 27, 2000

### **Floor Situation:**

The House is scheduled to consider H.R. 3535 under suspension of the rules on Tuesday, June 6, 2000. It is debatable for 40 minutes, may not be amended, and requires two-thirds majority vote for passage

### **Summary:**

H.R. 3535 eliminates the practice of shark finning and reduces the risk of high mortality levels associated with shark finning in the Pacific Ocean waters of the United States. Specifically, the bill amends Section 307 of the Magnuson-Stevens Fishery Conservation and Management Act by making it illegal to (1) remove any of the fins of a shark (including the tail) and discard the carcass of the shark at sea; (2) to have custody, control, or possession of any such fin aboard a fishing vessel without the corresponding carcass; or (3) to land any such fin without the corresponding carcass.

### **Background:**

In the United States, sharks are primarily caught as bycatch in longline fisheries, such as swordfish and tuna fisheries. Shark finning is where the fins of sharks are removed while a portion or the entire carcass is discarded in the ocean. This practice is currently illegal in United States waters of the Atlantic Ocean, Gulf of Mexico, and Caribbean Sea. There is no such provision in the Magnuson-Stevens Fishery Conservation Act, which delegates management of fishery resources in the Pacific Ocean. However, the popularity of shark-fin soup in Asia has increased the practice of shark finning in the Pacific Ocean off the coast of Hawaii. As a result, between 1991 and 1998 the number of sharks retained by Hawaii's swordfish and tuna fishery had increased from 2,289 to 60,857 annually. It is estimated that 98 percent of these sharks were killed for only their fins.

### **Costs/Committee Action:**

An official CBO cost estimate was unavailable at press time.

The Resources Committee reported this bill by voice vote on May 24, 2000

*John DeStefano, 226-2302*

# Wellton-Mohawk Transfer Act

## S. 356

Committee on Energy and Natural Resources  
S. Rept 106-21  
Introduced by Senator Kyl on February 3, 1999

### Floor Situation:

The House will consider S. 356 under suspension of the rules on Tuesday June 6, 2000. It is debatable for 40 minutes, may not be amended and requires two-thirds majority vote for passage.

### Summary:

S. 356 authorizes the Secretary of the Interior to carry out the terms of a memorandum of agreement providing for the transfer of works, facilities, and lands to the Wellton-Mohawk Irrigation and Drainage District. Specifically, the bill (1) directs the Secretaries of Interior and Energy to provide for and deliver Colorado River water and Parker-Davis Project Priority Use Power in accordance with existing contracts with the District; (2) requires the Secretary to submit a status report if such transfer has not occurred by July 1, 2000; and (3) authorizes to be appropriated such sums as may be necessary to carry out the provisions of this Act.

### Background:

The Gila Project in western Arizona was originally authorized for construction under a finding of feasibility, approved by the President on June 21, 1937 and reauthorized several times until its completion on June 30, 1957. The Wellton-Mohawk Irrigation and Drainage District operates the irrigation facilities in the Wellton-Mohawk Division. It is one of the Reclamation Project districts that have sought agreement with the Bureau of Reclamation for a transfer and is similar to the situation of the Burley Irrigation District, which sought transfer of its portion of the Mindoka Project in Idaho. Initial drafts of the legislation were modeled after the Burley legislation reported by the Committee during the first session of the 106th Congress. Wellton-Mohawk has fully repaid its project costs, and on July 10, 1998 the District of the Bureau signed a memorandum of agreement that covers the details of the transfer of title. It includes transfer of lands between the federal government and the District, including the acquisition of additional lands for exchange.

### Costs/Committee Action:

CBO estimates that implementing this bill would result in additional spending of about \$500,000 by the bureau over the 2000-2001 period. In addition the district would pay a minimum of about \$2 million in 2002 for certain federally owned lands.

The Senate passed S.365 by unanimous consent on March 25, 1999.

*Eileen Harley, 226-2302*

# Carlsbad Irrigation Project Acquired Land Transfer Act

S. 291

Senate Committee on Energy and Natural Resources

S.Rept. 106-19

Introduced by Senator Domenici on January 21, 1999

## Floor Situation:

The House is scheduled to consider S. 291 under suspension of the rules on Tuesday, June 7, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

## Summary:

S. 291 authorizes the Interior Secretary to convey specified lands and interests in the Carlsbad Project, New Mexico, to the Carlsbad Irrigation District. If the conveyance does not take place within 180 days after the enactment of the measure the Interior Secretary is required to report to Congress.

Under the measure, the Secretary must (1) provide a written identification of all mineral and grazing leases in effect of the lands to be transferred, and (2) notify all leaseholders of the conveyance made by the bill. Furthermore, the bill requires that all proceeds from leases, licenses and permits (after the conveyance is made) be used for the Carlsbad Project and for financing the portion of operations and maintenance of the Sumner Dam that was the responsibility of the Bureau of Reclamation prior to the land being conveyed to the Carlsbad Irrigation District. Also, the bill requires that funds paid into the reclamation fund as construction credits for the Carlsbad Project are to be used for deficit reduction or retirement of the federal debt.

## Background:

For a number of years the Congress has been working to transfer Bureau of Reclamation (BOR) facilities to local irrigation districts as a means of reducing the size of the federal government and as a way to shift ownership to those who can more efficiently operate these projects. After the National Performance Review, the BOR initiated a program in 1995 to transfer ownership of some of its facilities to non-federal entities. However, the administration has yet to present a legislative proposal for project transfers.

The federal government holds the title to more than 600 BOR water projects in the Western United States. Many of these projects are now operated and maintained by local irrigation districts, which seek to have the facilities transferred to them. So far, the BOR has transferred operation and maintenance responsibilities for about 400 of the projects to local irrigation districts under the provision of Section VI of the Reclamation Act of 1902. There has been a legislative effort to transfer these projects to local entities. In the 105<sup>th</sup> Congress two bills were signed into law directing the Interior Secretary to convey right, title and interest of the United States to local irrigation districts.

The Carlsbad Project is a paid-out single purpose irrigation project delivering stored water to approxi-

mately 25,000 acres of farm land in southeastern New Mexico. The Interior Secretary authorized the original Carlsbad Project in 1905, with the Sumner Dam being authorized by the president in 1935. Mineral leases for the land were issued until the project was repaid in 1991 and since then receipts from the leases have been paid into the Reclamation Fund and exist as credits to the Carlsbad Project.

### **Costs/Senate Action:**

CBO estimates that implementing the bill will reduce discretionary spending by about \$20,000 a year, and enacting S. 291 will increase direct spending by \$200,000 annually beginning in 2000.

The Senate passed S. 291 by unanimous consent on March 25, 1999.



*Greg Mesack, 226-2305*

# Kealia Pond National Wildlife Refuge

**H.R. 3176**

Committee on Resources  
No Report Filed  
Introduced by Ms. Mink on October 28, 1999

## **Floor Situation:**

The House is scheduled to consider H.R. 3176 under suspension of the rules on Tuesday, June 6, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

## **Summary:**

H.R. 3176 authorizes \$250,000 for a one-year study on restoring the natural wetland conditions of the Kealia Pond National Wildlife Refuge on the island of Maui, Hawaii. This bill requires the United States Geological Survey (USGS) to use the funds to study the ecosystem and determine possible ways to restore the refuge's natural condition.

## **Background:**

The Kealia Pond National Wildlife Refuge was created in 1992 to protect the habitat of native and migratory birds and waterfowl. Present-day changes in the pond's watershed areas have caused traumatic shifts in water levels. In recent years, the pond has dried up completely in the summer dry season, killing off native species and destroying waterfowl habitat. This change in ecosystem has enabled an exotic invasive species, the spotted wing midge fly, to breed in droves and become a pestilence for natives and tourists.

## **Costs/Committee Action:**

At press time the CBO had not released a cost estimate.

The Committee on Resources reported the bill by voice vote on May 24, 2000.



*Jennifer Lord, 226-7860*

# San Rafael Western Legacy District and National Conservation Act

## H.R. 3605

Committee on Resources

No Report Filed

Introduced by Mssrs. Cannon and Hansen on February 9, 2000

### Floor Situation:

The House is scheduled to consider H.R. 3605 during the week of June 6<sup>th</sup>, 2000. The Rules Committee is scheduled to meet Tuesday, June 6<sup>th</sup> at 5 p.m. to consider the rule for the bill. Details of the rule will be provided in a *FloorPrep* prior to floor consideration.

### Summary:

H.R. 3605 establishes the San Raphael Western Legacy District and the National Conservation Act in Utah. This legislation places over 2 million acres of land in Emery County, Utah in the public trust through the establishment of the legacy district. In addition, an area of approximately 947,000 acres within the district will be set aside as the San Raphael National Conservation Area, which will be protected under the National Conservation Act.

### Background:

The San Raphael region of Utah represents many aspects of American history. It contains many historical, cultural and natural resources that are typical of the American West. This legislation empowers the Secretary of the Interior to work through the Bureau of Land Management to purchase the lands. It also mandates the Secretary to establish a "Legacy Council" to insure that the area's Native American culture, and the historical effects of exploration, pioneering and industrial development are preserved in a proper fashion.

### Costs/ Committee Action:

CBO estimates that implementing H.R. 3605 would cost \$15 million over the 2001-2005 periods. Because the bill could affect offsetting receipts (a form of direct spending), pay-as-you-go procedures would apply; however, CBO estimates that such effects would total less than \$500,000 a year.

H.R. 3605 was reported by voice vote by the House Committee on Resources on May 16, 2000.



*Jennifer Lord, 226-7860*

# FY 2001 Department of Defense Appropriations Act

## H.R. 4576

Committee on Appropriations  
H.Rept. 106-644  
To Be Submitted by Mr. Lewis (CA)

### Floor Situation:

The House is scheduled to consider H.R. 4576 on Wednesday, June 7, 2000. The Rules Committee is scheduled to meet tomorrow at 5:00 p.m. to grant a rule. Additional information on the rule and potential amendments will be provided in a *FloorPrep* prior to floor consideration.

### Highlights:

H.R. 4576 appropriates \$288.5 billion in new FY 2001 budget authority, \$4 billion more than the president's request, to sustain military personnel, develop and purchase military hardware, and maintain the operational readiness of U.S. forces. Overall, the bill authorizes: (1) \$75.9 billion (\$103 million more than the president's request) for military personnel; (2) \$97.5 billion (\$1.2 billion more than the president's request) for operations and maintenance; (3) \$61.6 billion (\$2.3 billion more than the president's request) for weapons procurement; and (4) \$40.2 billion (\$2.3 billion more than the president's request) for research and development.

In addition to funding DOD programs, the bill also provides (1) small, unclassified amounts for the CIA retirement fund and intelligence community management; (2) classified amounts for national foreign intelligence activities administered by the CIA and other agencies including DOD; and (3) miniscule amounts for other agencies.

The bill does not make appropriations for military construction, military family housing, civil defense, or nuclear activities, which are funded in other bills. Specifically, the bill provides:

- \* a 3.7 percent military pay raise (matching the president's request);
- \* \$2.8 billion for 42 F-18E/F fighters (equal to the president's request);
- \* \$4 billion for the F-22 program (procurement and R&D), the next generation air dominance fighter, matching the president's request;
- \* \$706 million (\$150 million less than the president's request) for the Joint Strike Fighter and a three month delay in beginning the EMD phase;
- \* \$1.5 billion for 20 V-22 Osprey aircraft (matching the president's request);
- \* \$1.2 billion (\$5 million less than the president's request) for a New Attack Submarine—*Virginia*

class;

- \* \$4.1 billion, matching the president's request, for one new aircraft carrier (CVN-77);
- \* \$1.8 billion, \$1.1 billion more than the president's request to assist the Army in transforming itself into a more mobile and technologically advanced force;
- \* \$4.6 billion (\$168 million more than the president's request) for programs managed by the Ballistic Missile Defense Organization such as National Missiles Defense, Theater High-Altitude Air Defense, Navy Theater Wide, and PAC-3 systems;
- \* \$12.1 billion for the Defense Health Program (\$543 million more than requested). Specifically, this bill appropriates (1) \$280 million more than the president's request to implement various healthcare enhancements approved by the FY 2001 Floyd Spence National Defense Authorization Act; (2) \$638 million over the president's request for medical research programs including \$150 million for breast cancer research and \$75 million prostate cancer research;
- \* \$927 million for chemical agents and munitions destruction (\$76 million less than the president's request);
- \* \$433 million (\$25 million less than the president's request) for Former Soviet Union Threat Reduction; and
- \* \$812 million for DOD drug interdiction activities (\$24 million less than the president requested).

## Background:

In recent years, the Pentagon has been forced to deal with dwindling resources while deployments have risen. As this century is coming to an end, many experts point out that the specter of the 1970's "hollow force" seems to be returning. One of the largest problems impeding U.S. armed forces' ability to perform at peak performance levels are retention and recruiting problems. Too many highly trained and needed personnel choose to leave the military because of constraints on today's military budget make it difficult to even provide quality housing, much less other important benefits. Another pressing readiness problem is a lack of money for operations and maintenance accounts. Current funding is insufficient for adequate training time on ships and range practice, purchasing additional spare parts, depot maintenance, and needed increases in flying time, to name a few. Finally, the military must meet its increasing challenges with an aging inventory of weaponry. In particular, many of the planes and helicopters currently flying are older than the pilots that fly them. The latest generation of weapons to maintain military superiority over potential rivals is not being procured fast enough or in insufficient numbers to allow the military to retire obsolete weapon systems, and R&D has slowed on future weapons needs. However, over the last half of the decade, Congress has consistently allocated more funds than the administration has requested to vital accounts and legislated important pay and quality of life enhancements. Specifically, among other accomplishments, last month the Armed Service committee instituted an aggressive plan to improve TRICARE (military healthcare). A detailed analysis of today's military budget and recent Congressional action can be found in *Legislative Digest*, Vol. XXIX, #13, Pt. II, May 17, 2000 (H.R. 4205—the DOD authorization bill).

## **Provisions:**

### **Military Personnel**

H.R. 4576 provides \$75.9 billion for nearly 1.4 million active and over 867,000 Reserve and National Guard personnel, \$103 million more than the president's request. The committee recommends 1,382,242 million active end strength service men and women, 624 more than the president's request, for active service men and women and 866,934 (1,234 more than the president's request) for Guard and Reserve end strength service men and women.

The bill also funds a 3.7 percent pay increase, matching the president's request. In addition, the bill adds \$251 million over the president's request for additional active duty and reserve component pay and allowances to enhance recruiting, retention, and quality of life incentives, including \$130 million for enlistment bonuses and \$64 million for the Basic Allowance for Housing (BAH). The additional BAH funds will be, in part, used to lower the out-of-pocket cost for off-base housing from 18.8 percent to 15 percent by next year and eliminate it totally by 2005.

### **Operations and Maintenance**

H.R. 4576 provides \$97.5 billion, \$1.2 billion more than the president's request, for readiness training, facilities and equipment maintenance, strategic mobility enhancements, and actual military operations.

The bill increases funding above the president's request by: (1) \$830 million to help reduce the backlog of real property maintenance requirements; (2) \$343 million to meet unfunded depot-level equipment maintenance requirements; (3) \$61 million for additional soldier support equipment; (4) \$75 million to support DOD in meeting its recruiting goals; (5) \$61 million for field maintenance and logistical support; and (6) \$60 million for war reserve and propositioned materials.

The bill reduces funding below the president's request for several accounts that the committee believes the president over-funded. Specifically, the committee reduced funds by (1) \$144 million for headquarters and administrative activities; (2) \$54 million for acquisition program growth; (3) \$47 million for the Defense Finance and Accounting Service; and (4) \$26 million for the NATO and overseas staff growth.

Besides the basic O&M accounts of the armed services, the bill contains funding for some other programs relating to the environment, the former Soviet Union, and quality of life. The measure appropriates (1) \$1.3 billion, \$10 million more than the president's request, for environmental restoration of current and former military bases (there are concerns regarding unexploded ordnance, soil and groundwater contamination, and so on); (2) \$433 million, \$25 million less than the president's request, to counter possible nuclear and biological weapons threats of the Former Soviet Union; (3) \$480 million, the president did not request any funds, for special quality of life enhancements (the money will go to real property maintenance).

### **Procurement**

H.R. 4576 provides \$61.6 billion, \$2.3 billion more than the president's request to purchase military hardware, including missiles, ammunition, and supplies as well as major weapons systems.

**Army.** The measure appropriates \$10.9 billion, \$1.5 billion more than the president's request. Specifically, the bill appropriates: \$53 million (\$34 million more than the president's request) for AH-64 modifications and upgrades; \$372 million (equal to the president's request) for 3,754 Javelin missiles (concomitantly, the measure rescinds \$150 million in FY 2000 procurement of the Javelin because the Secretary of Defense has not yet submitted the required certification to proceed with a multi-year contract); \$183 million for 17 UH-60 Blackhawk helicopters (\$119 million and 11 more than the president's request); and \$600 million, \$63 million more than the president's request, for the Medium Armored Vehicle Family (MAVF).

Additionally, the bill appropriates \$285 million (matching the president's request) for 2,200 Hellfire Missiles and support equipment. The bill also appropriates \$441 million (\$81 million more than the president's request) for Bradley fighting vehicle base sustainment and \$1.2 billion (\$96 million more than the president's request) for Army ammunition. Finally, the measure appropriates \$4.2 billion, \$459 million more than the president's request for tactical and commercial vehicles, communications and electronics equipment, and other support equipment (e.g., chemical defensive equipment, medical support equipment, and floating and rail equipment).

\* **Army Transformation.** In an effort to assist the Army in transforming itself into a more mobile technologically advanced force the measure appropriates \$1.8 billion, \$1.1 billion more than the president's request. Of note, the bill fully finds the administration's request of \$637 million for the development and fielding a new "medium brigade." Additionally, the measure appropriates numerous programs the administration did not request. Specifically, (1) \$150 million on RDT&E and \$133 million in procurement funding for sufficient equipment to completely outfit the first brigade; (2) \$800 million in procurement funds to equip a second medium brigade. Also, DOD is mandated to fully fund and equipping and fielding of two medium brigades in future budgets; and (3) \$46 million (R&D funds) to support the development of a Future Combat Vehicle.

**Navy/Marine Corps.** The measure appropriates \$27 billion, \$338 million more than the president's request for all Navy and Marine Corps equipment. The bill fully funds the president's request of \$253 million for five E-2C Hawkeyes (MPY) and appropriates \$227 million for 10 additional AV-8B Harrier aircraft. Furthermore, the bill appropriates \$2.8 billion for 42 F-18E/F fighters (matching the president's request) and \$1.1 billion for 16 V-22 tiltrotor aircraft (matching the president's request).

\* **Heavy Transport.** The bill provides (1) \$165 million for 15 CH-60 airlift aircraft (matching the president's request); (2) \$155 million for two KC-130J Hercules aircraft (matching the president's request); and (3) \$1.1 billion (\$128 million more than the president's request) for Navy aircraft modifications.

\* **Missiles.** The bill provides \$39 million for 75 AMRAAM missiles (matching the president's request), \$439 million for 12 Trident II ballistic missiles (equal to the president's request), and \$28 million for modification/upgrades of 63 Sidewinder missiles (matching the president's request).

\* **Ships.** The bill appropriates (1) \$1.2 billion for one New Attack Submarine (NSSN), equal to the president's request; (2) \$2.7 billion for three DDG-51 *Arleigh Burke*-class destroyers (matching the president's request); (3) \$1.5 billion for two LPD-17 amphibious ships (equal to the president's request); (4) \$349 million for one new ADC(X) cargo ship (\$10 million more than the president's request); and (5) \$4.1 billion for procurement of one aircraft carrier (CVN-77), matching the president's request.

**Air Force.** The bill appropriates (1) \$400 million for five F-15 fighters (the president did not request any funds); (2) \$208 million for advanced procurement of 15 C-17 airlift aircraft (a reduction of \$59 million from the president's request); (3) \$249 million F-16 Falcon aircraft modifications/upgrades (matching the president's request); (4) \$251 million for one JSTARS surveillance aircraft (\$10 million less than the president's request); (5) \$2.2 billion for 12 C-17 airlift aircraft, \$26 million less than the president's request; (6) \$336 million for 4 V-22 Osprey, matching the president's request; and (7) \$76 million for 174 JSOW precision guided munitions, \$14 million less than the president's request.

\* **F-22 Fighter.** H.R. 4576 appropriates \$4 billion for the next generation air dominance fighter, matching the president's request. Specifically, \$2.1 billion for 10 Low Rate Production (LRIP), \$396 million for advanced procurement, and \$1.4 billion for RDT&E. Additionally, the committee retains requirements passed last year regarding the release of funds. The measure mandates that funds for the start of LRIP can only be released after (1) the first flight of an F-22 aircraft with Block 3.0 software; (2) the Secretary of Defense certifies that Defense Acquisition Board exit criteria have been met; and (3) a report is submitted by the Director of Operational Test and Evaluation to Congress on the adequacy of the test program and the plane's test performance. Finally, the measure provides for one overall cap for the entire program rather than the current separate cap practice.

**Defense-Wide and Other Programs.** The bill provides \$2.3 billion (\$28 million more than the president's request) for defense wide and other programs, which includes \$365 million (matching the president's request) for 40 Patriot PAC-3 anti-missile missiles. This account funds special operations command at \$564 million, \$38 million more the president's request

**National Guard and Reserve Equipment.** The bill appropriates \$2.5 billion (\$623 million more than the president's request) for National Guard and Reserve priority equipment such as helicopters, combat search and rescue kits, and technological upgrades. These funds are appropriated in various accounts.

## Research, Development, Test and Evaluation (RDT&E)

H.R. 4576 provides \$40.2 billion, \$2.3 billion more than the president's request, to develop weapons and other defense-related technologies for the future. The measure funds a large number of programs, many of them classified.

\* **Aircraft.** Additionally, the committee recommends \$145 million, \$97 million more than the president's request, for the B-2 bomber for 500-pound JDAM integration, in-flight re-planning, and risk reduction technologies. The bill provides \$134 million (\$9 million more than the president's request) for the F-16 for upgrades relating to podded reconnaissance systems (SAR and TARS). The bill also includes \$614 million (matching the president's request) for Comanche engineering and manufacturing development.

Of special note, is the Committee action on the **Joint Strike Fighter (JSF)**. The JSF is planned to be a high tech, affordable, next generation, multi-role, single combat aircraft using a common airframe and components to be used by the American Air Force, Navy Marine Corps, and other partner countries. The bill provides \$706 million (\$150 million less than the president's request) for the Joint Strike Fighter. Specifically, the committee funds (1) \$295 million, \$300 million less than the president's request, for

engineering and manufacture development; and (2) \$411 million, \$150 million more than the president's request, for development and demonstration. With the current plan, a JSF source selection and contract to begin EMD is set to be March 2001, which is just two months into a new administration and Congress. The Committee believes that it is more wise to delay the beginning of the EMD phase until June of that year. That is why the FY 2001 committee recommendation was below the president's request. Conversely, additional funds were allotted to the D & D account to ensure that there will be no program disruptions. Additionally, the committee requires a report sixty days after enactment of this measure detailing changes (if any) have been made to the JSF acquisition plan as a result of a review of the "winner-take-all" strategy and a similar report by the next administration with updated information and its plan for the JSF.

\* **Ballistic Missile Defense Organization.** The measure appropriates \$4.6 billion, \$168 million more than the budget request, for programs under BMDO. In RDT & E the bill allocates: (1) \$1.7 billion (matching the president's request) for National Missile Defense, (2) \$550 million (matching the president's request) for the Theater High Altitude Air Defense (THAAD) program, (3) \$513 million (\$130 million above the president's request) for the Navy Theater-wide, long-range, ship-launched "Upper-Tier" missile program, (4) \$274 million, equaling the president's request, for the Navy Area program; (5) \$117 million, matching the president's request, for International Cooperative Programs; and (6) \$81 million for the Patriot PAC-3 missile program, matching the president's request. Additionally, the measure provides \$75 million in procurement funds for NMD and \$365 million in PAC-3 procurement.

\* **DD-21.** The Committee recommends \$257 million, \$48 million less than the president's request for support of the DD-21 (the next generation surface combatant land attack destroyer). The committee directs a report be submitted covering the applicability of other technology programs to the DD-21 program, unique integrated logistic support, interoperability, the possibility that small companies are biased against in offering their technologies. Additionally, the report will answer the following questions: what is the proper role of the Navy in ensuring new technologies from the widest range of vendors is given fair consideration in the DD-21 sources selection process, what mechanisms or process is in place to introduce new technology that is not developed by present DD-21 design team members, how does the Navy differentiate between technology that impacts the ship's initial design and requires an early milestone decision, and technology that can be incorporated in mid or late stages of design, and what is the optimal method for instilling competition among approaches without incurring unacceptable cost growth?

### **Revolving and Management Funds**

H.R. 4576 appropriates \$916 million (matching the president's request) for the revolving and management fund account. The bill also provides a total of \$401 million for the National Defense Sealift Fund, \$13 million more than the president's request. Finally, the measure provides \$270 million, \$13 million more than the request, for the Ready Reserve Force.

### **Other Department of Defense (DOD) Programs**

The bill provides \$12.1 billion, \$543 million more than the president requested, for the Defense Health Program. Of these funds \$281 million will go for providing funds to increase benefits and services that were authorized by H.R. 4205. These monies will go to optimize the Military Treatment Facilities, improve TRICARE business practices, fund the TRICARE senior Pharmacy benefits, the improvement of claims processing, and many other improvements. Additionally, the bill provides that all Medicare-eligible military retirees with access to prescription drugs via various access points. Finally, the bill appropriates \$150

million (the president did not request funds) for breast cancer research and \$75 million for prostate research-to be managed by the Department of the Army.

Also, the measure appropriates \$927 million, \$76 million less than the president's request, for chemical agents and munitions destruction. Also, the bill provides for \$812 million for DOD drug interdiction activities (\$24 million less than the president requested). Of note, the committee added \$10 million to the budget request of \$34 million to operate and modernize the Tethered Aerostat Radar System (TARS).

## **Related Agencies**

H.R. 4576 fully funds the president's request of \$216 million for the Central Intelligence Agency Retirement and Disability System Fund. The bill also provides \$224 million (\$87 million more than the president's request) for the Intelligence Community Management Account. Furthermore, the bill appropriates \$7 million (equal to the president's request) for the National Security Education Trust Fund and fully funds the president's request of \$25 million for payment to the Kaho'olawe island conveyance recommendation and environmental restoration fund.

## **Costs/Committee Action:**

H.R. 4576 totals \$288.5 billion in budget authority. Specifically, \$188.3 billion in FY 2001, \$59.4 billion in FY 2002, \$21.7 billion in FY 2003, \$9 billion in FY 2004, and \$9 billion in FY 2005.

The Appropriations Committee ordered H.R. 4576 reported by voice vote on May 25, 2000.

## **Other Information:**

For a detailed analysis of DOD programs, weapons systems and background see *Legislative Digest*, Vol. XXIX, #13, Pt. II, May 17, 2000, which covers H.R. 4205, the FY 2001 Floyd Spence Defense Authorization Act; "Appropriations for FY 2001: Defense," *CRS Report RL30305*, April 19, 2000.



*Brendan Shields, 226-0378*

# FY 2001 Labor, Health & Human Services, Education, and Related Agencies Appropriations Act

## H.R. 4577

Committee on Appropriations  
H.Rept. 106-645  
Submitted by Mr. Porter on June 1, 2000

### Floor Situation:

The House is expected to consider H.R. 4577 the week of June 5, 2000. Appropriations bills are privileged and may be considered any time three days after they are filed; they are debatable for one hour and are subject to one motion to recommit. The Rules Committee is scheduled to meet on Tuesday, June 6, 2000 to consider a rule for the bill. Additional information on the rule and potential amendments will be provided in a *FloorPrep* prior to consideration.

### Highlights:

H.R. 4577 appropriates \$97.2 billion in discretionary budget authority—\$12.3 billion more than funding enacted for FY 2000 and \$8.927 billion less than the president's request—for the Departments of Labor, Health and Human Services (HHS), Education, and a wide range of related agencies. Including mandatory spending (the amount over which the Appropriations Committee does not have jurisdiction) and advances, the bill provides \$339.5 billion, \$23.8 billion more than last year and \$8.93 billion less than the president's request.

**Department of Labor.** For the Department of Labor (DOL), the bill appropriates \$10.7 billion in discretionary budget authority for a number of employment-related programs, including unemployment insurance, worker safety, and job training. This amount is \$526 million less than funding enacted for FY 2000 and \$1.703 billion less than the president's request. Including mandatory spending and trust funds, total funding for the Labor Department is \$12.6 billion. Specific appropriations for the Labor Department include:

- \* \$5.015 billion to carry out provisions of the Workforce Investment, \$421 million less than enacted funding for FY 2000;
- \* \$381.6 million for the Occupational Safety and Health Administration (OSHA; same as last year);
- \* \$440 million (\$6.1 million more than last year) for the Bureau of Labor Statistics; and
- \* \$1.028 billion for the Black Lung Disability Trust Fund, \$14 million more than enacted funding for FY 2001.

**Department of Health & Human Services.** The largest amount appropriated in the bill funds

programs of the Department of Health and Human Services (HHS). The bill provides about \$260 billion for HHS, nearly 85 percent of which supports mandatory entitlement programs such as Medicare, Medicaid, and family support services. The remainder of HHS funding (\$43.9 billion, \$2.2 billion more than last year and \$1.2 billion less than the president's request) supports the nation's primary health and welfare discretionary initiatives, including programs such as:

- \* the National Institutes of Health (NIH), which receives \$18.8 billion (\$1.0 billion more than enacted funding for FY 2000);
- \* the Centers for Disease Control and Prevention (CDC), which receives \$3.29 billion (\$326 million more than last year); and
- \* the Health Resources and Services Administration, which receives \$4.8 billion (\$181.9 million more than enacted funding for FY 2000). This account includes \$1.725 billion for Ryan White AIDS programs.

**Department of Education.** Often the most contentious portion of the Labor/HHS/Education bill is funding for the Department of Education, for which the measure provides a total of \$39.6 billion for FY 2001, \$1.65 billion more than last year and \$2.9 billion less than the president's request. Specific appropriations include:

- \* \$6.6 billion for special education programs (\$514 million more than last year);
- \* \$8.4 billion for the Pell grant program (\$716.3 million more than funding enacted for FY 2000)
- \* \$8.8 billion for education for the disadvantaged (\$116 million more than last year);
- \* \$985 million for Impact Aid (\$78.5 million more than funding enacted for FY 2000); and
- \* \$406 million for bilingual and immigrant education (the same as last year).

In addition, the measure raises the maximum Pell Grant award to \$3,500, \$200 more than in FY 2000, the same as the president's request.

**Related Agencies.** Finally, H.R. 4577 appropriates a total of \$40.2 billion for related agencies, including the Social Security Administration, the Corporation for Public Broadcasting (CPB) and the National Labor Relations Board (NLRB). This amount is \$1.9 billion more than funding enacted for FY 2000 and \$282 million less than the president's request. Specific appropriations include:

- \* \$38.7 billion for the Social Security Administration, \$1.9 billion more than last year and \$163 million less than the president's request;
- \* \$365 million—\$15 million more than last year and equal to the president's request—for the Corporation for Public Broadcasting; and
- \* \$150 million for the dual benefits payments account of the Railroad Retirement Board, \$13.3 million less than funding enacted in FY 2000 and equal to the president's request.

## Sticking Points

Several issues are likely to become the subject of floor debate during consideration, including the following:

\* **Overall Funding Levels.** The Labor/HHS/Education measure is the largest of the 13 appropriations bills and invariably the most controversial. In recent years, the 1997 discretionary budget caps—agreed to by both Congress and President Clinton—have weighed heavily on the measure. While the bill includes healthy increases for the National Institutes of Health and programs to provide education for the disabled, funding for training and jobs programs, as well as many of the president’s cherished education initiatives receive budget decreases. The measure cuts job training programs by eight percent, for example. Critics characterize such spending reductions as draconian and charge that many of the programs receiving deep cuts are essential for preserving a responsible social safety net and ensuring that the American workforce will be competitive in the 21<sup>st</sup> century economy. However, supporters of the bill counter that such reductions are fiscally responsible—and fall within spending limits established by the 1997 Balanced Budget Act. Supporters have repeatedly encouraged the president to help locate offsets to pay for his new priorities, instead of relying on a will-o’-the-wisp chase for new taxes that have been repeatedly rejected by Congress.

\* **Abortion and Family Planning.** The bill prohibits the use of funds to pay for abortions except in the case of rape, incest or danger to the health of the mother and requires that all pregnancy counseling be non-directive (*i.e.*, not recommending one option over another). In addition, H.R. 4577 requires clinics receiving Title X family planning funds to certify that it encourages family participation in the decision of minors to seek family planning services.

Finally, each year the bill provokes controversy over federal funding of abortions through the Medicaid program. This year, the bill maintains provisions included in previous years to prohibit the use of federal Medicaid funds for abortions except when the life of the mother is endangered or when the pregnancy is a result of rape or incest (referred to as “modified Hyde” language). Opponents believe such an amendment could restrict abortion services that are not federally subsidized. Supporters contend, however, that taxpayers should not be forced to pay for an act they find morally indefensible.

## Provisions:

### Title I — Department of Labor

For the Department of Labor (DOL), the bill appropriates \$10.7 billion in discretionary budget authority for a number of employment-related programs, including unemployment insurance, worker safety, and job training. This amount is \$526 million less than the FY 2000 level and \$1.7 billion less than the president’s request. Including mandatory spending and trust funds, total funding for the Labor Department is \$12.626 billion. Specific appropriations for the Labor Department include:

#### Employment and Training Administration (ETA)

The bill appropriates \$9.54 billion to the ETA, which provides employment services, job training, and unemployment insurance, an amount \$466 million less than last year and \$1.4 billion less than the president’s request. Funding is allocated across five major components that cover employment security,

job training, planning and policy development, financial and administrative management, and regional management.

Department of Labor Appropriations, FY 2001					
Appropriation Account	FY 2000 Level	President's Request	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)	(in millions)	(in millions)		
Employment & Training Admin.					
Training & Employment Services	\$5,436.4	\$6,106.1	\$5,015.5	-7.7%	-17.9%
Community Service Employment for Older Americans	\$440.2	\$440.2	\$440.2	0.0%	0.0%
Federal Unemployment Benefits and Allowances	\$415.2	\$406.6	\$406.6	-2.1%	0.0%
State Unemployment Services *	\$3,213.8	\$3,389.2	\$3,097.8	-3.6%	-8.6%
Adv. To Unemployment Trust Funds	\$356.0	\$435.0	\$435.0	+22.2%	0.0%
Program Administration *	\$146.0	\$159.3	\$146.0	0.0%	-8.4%
<b>Subtotal, ETA *</b>	<b>\$10,007.6</b>	<b>\$10,936.3</b>	<b>\$9,541.0</b>	<b>-4.7%</b>	<b>-12.8%</b>
Employment Standards Admin. (ESA)					
Salaries and Expenses *	\$338.8	\$363.5	\$338.8	0.0%	-6.8%
Special Benefits	\$79.0	\$56.0	\$56.0	-29.1%	0.0%
Black Lung Trust Fund	\$1,013.6	\$1,028.0	\$1,028.0	+1.4%	0.0%
<b>Subtotal, ESA *</b>	<b>\$1,431.4</b>	<b>\$1,447.5</b>	<b>\$1,422.8</b>	<b>-0.6%</b>	<b>-1.7%</b>
Pension & Welfare Benefits Admin.	\$98.9	\$107.8	\$98.9	0.0%	-8.3%
PBGC Administrative Limitation	\$11.1	\$11.9	\$11.1	0.0%	-6.1%
Occupational Safety & Hlth. Admin.	\$381.6	\$426.0	\$381.6	0.0%	-10.4%
Mine Safety & Health Admin.	\$228.1	\$242.2	\$233.0	+2.2%	-3.8%
Bureau of Labor Statistics *	\$433.9	\$453.6	\$440.0	+1.4%	-3.0%
Departmental Management *	\$489.1	\$703.9	\$498.1	+1.8%	-29.2%
<b>TOTALS</b>	<b>\$13,081.7</b>	<b>\$14,329.3</b>	<b>\$12,626.6</b>	<b>-3.5%</b>	<b>-11.9%</b>
Source: House Appropriations Committee * All or some of funds provided from trust funds					

**Training and Employment Services.** The bill appropriates \$5.015 billion, \$421 million less than last year and \$1.09 billion less than the president's request, for programs to enhance the employment and earnings of economically disadvantaged and displaced workers through a decentralized system of skills training and related services. The ETA is made up of programs mainly authorized by the Workforce Investment Act (WIA) and consists of two types of initiatives: grants to states and federally administered programs.

Grants to states:

\* **Adult Training.** The bill provides \$857 million (which includes \$712 million in FY 2002 appropriations), \$93 million less than funding enacted for FY 2000 and the president's request, to carry out adult activities under WIA. The funding will help states assist an estimated 386,000 adults to increase their work skills and employability. This program is designed to prepare adults for participation in the labor force by increasing their occupational and educational skills, resulting in improved long-term employability, increased employment and earnings, and reduced welfare dependency.

\* **Youth Training.** The bill appropriates a total of \$1.001 billion, the same as last year's funding and \$21.5 million less than the president's request, to assist states in their efforts to increase the long-term employability of 163,000 youths. The measure consolidates the summer youth program and youth training grants into a single account. The youth training program is intended to improve the long-term employability of youths, enhance their educational, occupational, and citizenship skills, and encourage their completion of school.

\* **Dislocated Worker Assistance.** The bill provides \$1.4 billion (which includes \$1.06 billion in FY 2002 funding), \$207 million less than funding enacted for FY 2000 and \$388.5 million less than the president's request, for dislocated worker activities that identify and service workers who lose their job. Program participants, of which there are roughly 654,000, are enrolled in federally run job assistance programs. Funds are allocated to the states by statutory formula; 20 percent is kept by the secretary for discretionary purposes.

Federally administered programs:

\* **Job Corps.** The bill provides \$1.4 billion (which includes \$691 million in FY 2002 funding) for the Job Corps, which assists at-risk youth with job training and placement. This amount (\$42.2 million more than last year and \$6.9 million more than the president's request) is made up of two separate accounts: operations and construction, and renovation. The Job Corps trains approximately 69,700 participants at 118 centers and assists in job placement.

\* **School-to-Work.** The bill provides no funding for this account, as 2000 is the last year for this program. In FY 2000, it was funded at \$5.5 million. The school-to-work program is designed to provide a national framework within which all states can create statewide systems to help youth acquire the knowledge, skills, abilities, and information they need to get jobs after school. The program is administered jointly between the Departments of Labor and Education.

\* **Native Americans.** The bill provides \$55 million—\$3.4 million less than the funding enacted for FY 2000 and equal to the president's request—for programs designed to improve the economic well being of disadvantaged Native Americans through vocational training, work experience, and other services aimed at getting participants—of which there are about 19,000—into permanent, unsubsidized jobs.

\* **Migrant and Seasonal Farmworkers.** The bill provides \$78 million, which is \$3.8 million more than last year and \$3.5 million more than the president's request, for this program, which is intended to alleviate chronic unemployment and underemployment experienced by farmworker families. Approximately 38,000 participants receive training and employability development services to prepare farmworkers for stable, year-round employment inside and outside the agricultural industry. Services include health care, day care, and housing assistance. At least 94 percent of each year's appropriation is allocated to states according to a population-based formula.

\* **Veteran's Employment.** H.R. 4577 provides \$7.3 million for this account, equal to both last year's level and the president's request. These funds provide special employment and training programs to meet the needs of disabled, Vietnam-era, and recently separated veterans.

\* **National Programs.** The bill provides an additional \$67.5 million for a number of smaller programs, including funding for the National Skills Standards Advisory Board. This account includes \$1 million for the Women in Apprenticeship program, for which the president requested no funding.

**Community Service Employment for Older Americans.** The bill appropriates \$440.2 million—the same as the president’s request and last year—for this civic service program, which provides part-time employment in community service activities for approximately 61,500 unemployed, low-income persons aged 55 and over. The account is forward-funded from July to June, and the FY 2001 appropriation will support the effort from July 1, 2001 through June 30, 2002. The committee expressed concern that the program has yet to be authorized.

**Federal Unemployment Benefits and Allowances.** H.R. 4577 provides \$406.5 million, \$8.6 million less than in FY 2000 and equal to the president’s request. The funding supports four separate benefit and transitional entitlement programs that provide temporary support and education to an estimated 74,600 workers affected by imports. Of this, the bill provides \$8 million for North American Free Trade Agreement (NAFTA) transitional adjustment assistance benefits.

**State Unemployment Insurance and Employment Services Operations.** This account provides a total of \$3.1 billion, of which \$3 billion is drawn from the Unemployment Trust Fund and \$43.5 million from the general Treasury fund, for administrative grants and assistance to state agencies that administer state and federal unemployment compensation laws and operate public employment services. This funding is \$115.9 million less than funding enacted for FY 2000 and \$291.4 million less than the president’s request. The program is divided into several accounts, which are detailed below.

\* **Unemployment Insurance Services.** The measure provides \$2.266 billion, the same as funding enacted for FY 2000 and \$92.9 million less than the president’s request, in trust fund disbursements to pay for state and national compensation activities and benefits to the unemployed. The Committee implemented the proposal to combine funding for contingency into the state administration line item.

\* **Employment Services.** The bill provides \$811.4 million, \$5.9 million less than funding enacted for FY 2000 and \$44.5 million less than the president’s request, for employment services, including \$761.7 million for state grants. The program provides applicants with job search assistance, counseling, and training. The measure does not provide funding for the proposed new AgNet for the agriculture industry.

\* **One-Stop Career Center.** The Committee has provided no funding for one-stop centers as 2000 was the final year of the State implementation grants with all States having received implementation grants. The Committee feels it has provided the resources necessary for the original one-stop development plan.

**Advances to the Unemployment Trust Fund and Other Funds.** The bill provides \$435 million, \$79 million more than funding enacted for FY 2000, for this account. The appropriation is used to make advances to various unemployment compensation programs and the Black Lung Disability Trust Fund when those programs see shortfalls in their accounts.

**Program Administration.** The bill provides \$146 million, the same funding level as enacted in FY

2000 and \$13.3 million less than the president's request, in total budgetary resources to provide the necessary federal staff needed to administer various labor-related laws, including WIA and the Older Americans Act. The committee notes that last year's appropriation accounted for Y2K activities and other one-time expenses.

**Pension Benefit Guaranty Corporation (PBGC).** The bill provides \$987.6 million in benefit payments and \$6.266 million for multi-employer financial assistance for this wholly-owned government corporation. As in past years, over 90 percent of the administrative expenses of the corporation are exempt from limitation.

### **Pension and Welfare Benefits Administration (PWBA)**

**Salaries and Expenses.** H.R. 4577 provides \$98.9 million for this account, equal to funding enacted for FY 2000 but \$8.9 million less than the president's request, for the expenses of the Pension and Welfare Benefits Administration (PWBA). The PWBA is responsible for enforcing Title I of the 1974 Employee Retirement Income Security Act (ERISA) in both civil and criminal areas, and enforces portions of the 1986 Federal Employees' Retirement Security Act as well as fiduciary and reporting/disclosure requirements of federal pension law.

### **Employment Standards Administration (ESA)**

The ESA administers and directs employment standards programs dealing with the federal minimum-wage, overtime, registration of farm labor contractors, prevailing wage rates, non-discrimination and affirmative action, and workers compensation.

**Salaries and Expenses.** The bill provides \$338.8 million for salaries and expenses of ESA staff, equal to funding enacted for FY 2000 and \$24.7 million less than the president's request. The amount includes \$2 million to continue funding for the ESA to develop an electronic filing process for reports that unions are required to file under the Labor-Management Reporting and Disclosure Act, as well as to create a database available to the public via the Internet.

**Special Benefits.** The bill provides \$56 million, \$23 million less than funding enacted for FY 2000, for the required benefit payments under the Federal Employees Compensation Act (FECA). This fund also receives payments from federal agencies, as well as significant funds carried over from previous years, for total resources of approximately \$2 billion, roughly \$50 million more than last year.

**Black Lung Disability Trust Fund.** The bill provides \$1 billion in mandatory spending for this trust fund, which pays all black lung compensation, as well as medical and survivor benefit expenses, when no responsible mine operation can be determined or the mine employee ceased working before 1970. It is estimated that 63,200 people will receive black lung benefits in FY 2001, compared to roughly 67,000 last year.

### **Departmental Management**

H.R. provides \$498 million in total budgetary resources for management expenses of the Department of Labor, \$205 million less than the president's request. Specific sub-account appropriations include:

- \* \$244.889 million for salaries and expenses (the same funding as enacted for FY 2000 and \$192.6 million less than the president's request);
- \* \$201.3 million in trust funds for state operated veterans' employment and training (equal to last year but \$8.9 million less than the president's request); and
- \* \$51.9 million for the office of the Inspector General (equal to funding enacted for FY 2000 and \$4.22 million less than the president's request).

## **Other Agencies**

**Occupational Safety and Health Administration (OSHA).** The bill provides \$381.6 million, the same funding level as enacted in FY 2000 and \$44.3 million less than the president's request, to cover the salaries and expenses of OSHA. The agency was created in 1970 to develop and promulgate occupational safety and health standards, issue regulations, conduct investigations and inspections, and impose penalties on employers who violate those standards. The bill supports OSHA's efforts to expand the Voluntary Protection Program (VPP) and other voluntary cooperative programs. Funding levels reflect the desire to see participation grow of 25% maintained.

The bill also includes language, traditionally included in past appropriations bills, that (1) exempts farms with fewer than 10 employees and that do not have temporary labor camps from OSHA requirements (similar language has been included in appropriations legislation since 1976), and (2) exempts businesses that employ fewer than 10 employees and have a work-day injury rate less than the national average from general schedule OSHA safety inspections (similar language has been included since 1979).

**Mine Safety and Health Administration.** The bill provides \$233 million—an increase of \$4.943 million over enacted funding for FY 2000 but \$9.25 million less than the president's request—for the salaries and expenses of this agency. The Mine Safety and Health Administration develops and promulgates mandatory safety and health standards, assesses civil penalties for violations, and investigates accidents in the mining industry.

**Bureau of Labor Statistics (BLS).** The bill provides \$440 million in total budget resources, an increase of \$6.123 million over funding enacted for FY 2000 and \$13.6 million less than the president's request, for salaries and expenses of the BLS.

## **Title II — Department of Health and Human Services**

### **Health Resources and Services Administration (HRSA)**

H.R. 4577 provides \$4.7 billion—\$130.9 million more than funding enacted for FY 2000 and \$32.9 million more than the president's request—for HRSA, which supports programs providing health services to medically under-served populations and disadvantaged minorities, including mothers and infants, migrant farm workers, the homeless, rural residents, and HIV-infected individuals. HRSA also supports programs to improve the education, supply, and distribution of a wide range of health professionals, including nurses, family practitioners, physician assistants, and public health specialists.

Department of Health and Human Services Appropriations, FY 2001					
Appropriation Account	FY 2000 Level	President's Request	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
<b>Public Health Service (PHS)</b>					
Health Resources & Services Admin.	\$4,653.4	\$4,802.4	\$4,835.3	+3.9%	+0.7%
Centers for Disease Control	\$2,964.0	\$3,133.6	\$3,290.4	+11.0%	+5.0%
National Institutes of Health	\$17,752.9	\$18,812.7	\$18,812.7	+6.0%	-0.0%
Substance Abuse and Mental Health Services Admin.	\$2,651.9	\$2,823.0	\$2,727.6	+2.9%	-3.4%
Agency for Health Care Policy and Research *	\$110.2	—	\$123.7	+12.2%	#VALUE!
<b>Subtotal, PHS</b>	<b>\$28,132.2</b>	\$29,571.7	<b>\$29,789.6</b>	+5.9%	+0.7%
<b>Health Care Financing Administration (HCFA)</b>					
State Medicaid Grants	\$116,167.2	\$124,723.5	\$124,723.5	+7.4%	0.0%
Payments to Health Care Trust Funds	\$69,289.1	\$70,381.6	\$70,381.6	+1.6%	0.0%
Program Management*	\$1,993.3	\$2,086.3	\$1,866.3	-6.4%	-10.5%
<b>Subtotal, HCFA</b>	<b>\$187,449.6</b>	\$197,191.4	\$196,971.4	+5.1%	-0.1%
<b>Administration for Children &amp; Families (ACF)</b>					
Family Support Payments	\$2,574.8	\$2,888.8	\$2,888.8	—	0.0%
Advance Appropriation FY 2002	\$650.0	\$1,000.0	\$1,000.0	+53.8%	0.0%
LIHEAP	\$300.0	\$300.0	\$300.0	—	—
Advance Appropriation FY 2002	\$1,100.0	\$1,100.0	\$1,100.0	0.0%	0.0%
Refugee and Entrant Assistance	\$425.9	\$432.6	\$433.1	+1.7%	+0.1%
Child Care & Development Grant	—	\$817.3	\$400.0	#VALUE!	-51.1%
Advance Appropriation FY 2002	\$1,182.7	\$2,000.0	\$2,000.0	+69.1%	0.0%
Social Services Block Grant	\$1,775.0	\$1,700.0	\$1,700.0	-4.2%	0.0%
Children & Family Service Program	\$6,829.0	\$7,805.7	\$7,231.3	+5.9%	-7.4%
Rescission of Permanent Appropriatic	-\$21.0	\$0.0	-\$21.0	0.0%	—
Family Support and Preservation	\$295.0	\$305.0	\$305.0	+3.4%	0.0%
Foster Care and Adoption State Paym	\$4,342.3	\$4,868.1	\$4,863.1	+12.0%	-0.1%
Advance 1st quarter, FY 2000	\$1,538.0	\$1,735.9	\$1,735.9	+12.9%	0.0%
<b>Subtotal, ACF</b>	<b>\$20,991.7</b>	\$24,953.4	\$23,936.2	+14.0%	-4.1%
Administration on Aging	\$932.8	\$1,083.6	\$925.8	-0.8%	-14.6%
Office of the Secretary	\$1,078.8	\$994.5	\$1,003.3	-7.0%	+0.9%
<b>TOTALS</b>	<b>\$238,585.1</b>	\$253,794.6	<b>\$252,626.3</b>	+5.9%	-0.5%
Source: House Appropriations Committee * All or some of funds provided from trust fund					

**Community Health Centers.** The bill provides \$1.1 billion, \$81.3 million more than funding enacted for FY 2000 and \$31.3 million more than the president's request, for a number of health center activities. These centers provide immediate access to high quality, cost-effective, and culturally sensitive preventative and primary health care services to over 10 million individuals in 3,500 underserved communities. As in previous years, the bill limits the amount of funds available for the payment of claims under the Federal Tort Claims Act to \$5 million.

**National Health Service Corps (NHSC).** The bill provides \$121.3 million for NHSC placement and recruitment activities. Specifically, the measure allocates (1) \$39.8 million for NHSC placement activities, \$1.6 million more than last year's level and \$1.7 more than the president's request; and (2) \$81.5 million for NHSC recruitment activities, \$2.9 million more than funding enacted for FY 2000 and the president's request. The NHSC awards scholarships and provides loan repayment assistance to medical students, who in repayment pledge a few years of service to areas in need of medical personnel, usually inner cities and rural areas.

**Health Professions.** The bill provides \$410.9 million for health profession training programs, \$69 million more than funding enacted for FY 2000 and \$113 million more than the president's request. The Bureau of Health Professions provides both policy leadership and support for health professions workforce enhancement and educational infrastructure development.

**Maternal and Child Health Block Grant.** The bill provides \$709 million for a broad range of pregnancy health programs. The appropriation is the same as both last year's funding level and the president's request. As required by law, 85 percent of the first \$600 million and nearly 75 percent of funds over \$600 million are distributed to the states; the remaining funds are set aside for special projects and set-aside programs administered by the federal government for specific communities, regions, or the nation as a whole. The committee estimates that the program will serve as many as 17 million women, infants, children, and adolescents. Of this amount, \$5 million must be used to provide continued services to individuals who have suffered a traumatic brain injury.

\* **Healthy Start.** The measure provides \$90 million—the same as both last year's funding level and the president's request—for a program that began as a five-year demonstration program (first funded in 1992) to reduce infant mortality in 22 urban and rural communities. The program was never authorized as a separate program, and now is included under the maternal and child health block grant.

## **Ryan White AIDS Programs**

H.R. 4577 appropriates \$1.725 billion for AIDS prevention and educational programs, \$130 million more than funding enacted for FY 2000 and \$5.5 million more than the president's request. The increase reflects funding for new methods to treat people with HIV that postpone the failure of the immune system. The Ryan White AIDS account is made up of six separate appropriation programs funded as follows:

\* **Emergency Assistance.** The bill provides \$586.5 million, \$40 million more than funding enacted for FY 2000 the same as the president's request, for programs that provide grants to cities with greater-than-average numbers of AIDS cases to promote outpatient and ambulatory health services for people with AIDS;

\* **Comprehensive Care Programs.** The measure allocates \$864 million, \$40 million more than funding enacted for FY 2000 and the same as the president's request, for grants to states for the operation of groups assisting with care, health care insurance coverage, and therapeutic drug expenses of individuals with AIDS (\$554 million for the AIDS Drug Assistance Program);

\* **Early Intervention Programs.** The bill provides \$173.9 million, \$35.5 million more than

funding enacted for FY 2000 and \$2.5 million more than the president's request, for grants to health centers which serve high populations with a high risk of contracting AIDS to assist the centers with testing, risk reduction counseling, transmission prevention, and a host of other activities intended to reduce the spread of AIDS;

\* **Pediatric Demonstrations.** H.R. 4577 provides \$60 million, \$9 million more than funding enacted for FY 2000 and the same as the president's request, for grants that foster collaboration between research institutions and primary care outlets to increase access to comprehensive care and increase participation in National Institutes of Health (NIH) research programs;

\* **AIDS Dental Services.** The measure provides \$9 million, \$1 million more than funding enacted for FY 2000 and \$500,000 more than the president's request, for grants to dental schools to assist with the cost of unreimbursed dental services on individuals with AIDS; and

\* **Education and Training Centers.** The bill provides \$31.6 million, \$4.9 million more than funding enacted for FY 2000 and \$2.45 million more than the president's request, for centers to train individuals who care for AIDS patients.

## **Family Planning**

H.R. 4577 provides \$238.9 million, the same as funding enacted for FY 2000 and \$35 million less than the president's request, for family planning assistance. The program provides grants to more than 4,800 clinics—over 60 percent of which are government run—to support the provision of a wide-range of family planning services, reproductive services, and health screening. The bill clarifies that family planning funds may not be used to perform abortions, or for lobbying and campaign activities.

## **Program Management**

The measure provides \$128 million—\$3.36 million more than funding enacted for FY 2000 and \$3.77 million more than the president's request—for federal staff and administrative costs associated with the Health Resources and Services Administration.

## **Health Education Assistance Loans (HEAL)**

The measure appropriates a total of \$10 million to liquidate defaulted loans of students who enter health professions—\$5 million less than funding enacted for FY 2000 and equal to the president's request. The bill provides \$3.7 million for HEAL program management, \$8,000 less than funding enacted for FY 2000 and equal to the president's request.

## **Vaccine Injury Compensation Program Trust Fund**

The bill fully funds the president's request of \$114 million—\$52 million more than last year and equal to the president's request, in mandatory funding for a program to compensate individuals with vaccine-associated injuries or deaths. The trust fund also provides \$2.9 million to operate the program, which is \$7,000 less than funding enacted for FY 2000 and the same as the president's request. Funds for claims from vaccines administered after October 1, 1998, are generated by a per-dose excise tax on the sale of selected prescribed vaccines.

## Centers for Disease Control (CDC)

H.R. 4577 provides \$3.3 billion—\$326 million more than funding enacted for FY 2000 and \$157 million more than the president's request—for disease control activities of the federal government (as well as crime bill activities). The CDC assists state and local health authorities in controlling the spread of infectious diseases, reducing chronic diseases, and a number of other disease programs. CDC funding includes:

- \* \$179.3 million (\$79,000 less than funding enacted for FY 2000 and the same as the president's request) for preventive health service block grants, preventative funding for tuberculosis and sexually transmitted diseases, and prevention center research;
- \* \$734.4 million for federal AIDS programs, including research and community prevention programs (\$39.6 more than last year and the same as the president's request);
- \* \$504.9 million for childhood immunization programs and \$25 million from the public health and social service emergency fund for polio eradication (\$15 million more than funding enacted for FY 2000 and \$232,000 million more than the president's request) —in addition, \$469 million (\$76 million less than last year and equal to the president's request) from the Medicaid account is expected to go toward child immunizations;
- \* \$395.5 million (\$20.9 million more than funding enacted for FY 2000 and \$11 million more than the president's request) for chronic and environmental disease prevention programs;
- \* \$214.2 million (\$473,000 less than funding enacted for FY 2000 and \$5.4 million less than the president's request) for the National Institute for Occupational Safety and Health to prevent work-related diseases and injuries;
- \* \$171 million (\$4.9 million more than last year and the same as the president's request) for breast and cervical cancer screening;
- \* \$181.6 million (\$6 million more than funding enacted for FY 2000 and is equal to the president's request) for infectious disease control;
- \* \$150.7 million (\$14.9 million more than last year and the same as the president's request) for grants to states and local health departments to support public health activities to prevent and treat sexually transmitted diseases (STDs);
- \* \$127 million (\$56,000 less than last year and the same as the president's request) for grants to states and large cities for a broad range of tuberculosis control efforts;
- \* \$105 million (equal to enacted funding for FY 2000 and \$4.9 million less than the president's request) for the National Center for Health Statistics;
- \* \$210.8 million (\$124.9 million more than funding enacted in FY 2000 and \$125 million more than the president's request) for epidemic disease services, including surveillance system maintenance,

staff training, and quarantine maintenance. The increase above the president's request is for National Campaign to Change Children's Health Behaviors;

\* \$90.1 million (equal to last year and \$4.9 million less than the president's request) for risk identification outside of the workplace, including car crashes, fires and burns, domestic violence, possible traumatic brain injuries. Similar to last year, the bill prohibits the National Center for Injury Prevention and Control from engaging in any activities to advocate or promote gun control;

\* \$38.2 million (\$17,000 less than last year and equal to the president's request) for lead poisoning prevention.

Finally, the bill provides (1) \$37.2 million for the Office of the CDC Director; (2) \$145 million for buildings and facilities; (3) \$16 million for a new prevention research program; and (4) \$34.9 million for the health disparities demonstration program.

### **National Institutes of Health (NIH)**

H.R. 4577 provides a total of \$18.8 billion—\$1 billion more than funding enacted for FY 2000 and equal to the president's request—for the 24 appropriation accounts that fund NIH, the nation's primary biomedical research institution. These accounts include funding for 18 research institutes, the Office of the Director, and a number of related programs. NIH supports over 30,000 research project grants at 1,700 research institutions across the country. The bill does not provide specific earmarks for the Office of AIDS Research as had been requested by the president; instead, the bill leaves the decision on the amount of funding necessary to support AIDS research up to NIH itself. The bill provides increases over FY 2000 levels and the president's request for each account.

### **Substance Abuse and Mental Health Services Administration (SAMHSA)**

H.R. 4577 appropriates \$2.7 billion, \$75.7 million more than funding enacted for FY 2000 and \$95.4 million less than the president's request, for substance abuse and mental health care programs. SAMHSA is responsible for supporting mental health and substance abuse prevention and treatment programs. Specifically, the bill provides:

\* \$691.3 million (\$59.8 million more than funding enacted for FY 2000 and \$40.1 million less than the president's request) for mental health programs including the mental health block grant and children's mental health services;

\* \$1.8 billion (\$30 million more than last year and \$44.7 million less than the president's request) for substance abuse treatment programs;

\* \$132.7 million (\$7 million less than funding enacted for FY 2000 and \$2.5 million less than the president's request) for substance abuse prevention programs; and

\* \$58.8 million (\$184,000 less than last year and \$1.07 million less than the president's request) to coordinate, direct, and manage the agency's programs.

### **Agency for Health Care Policy and Research**

The bill provides a total of \$223.6 million in total budgetary resources to collect and disseminate national health care statistics intended to improve the delivery of health care. This funding level is \$24.8 million more than last year and \$26.3 million less than the president's request.

### **Health Care Financing Administration (HCFA)**

H.R. 4577 provides a total of \$202 billion for HCFA in grants to states for Medicaid and payments to health care trust funds. (This amount includes \$36.2 billion funded in advance for FY 2002.) This funding level is \$12.8 billion more than funding enacted for FY 2000 and \$220 million less than the president's request. Established in 1977, HCFA is responsible for overseeing the Medicare and Medicaid programs. Funded through Social Security contributions, premiums, and general revenue, Medicare is a federal health insurance program for eligible elderly and disabled persons. Medicaid is a federal-state health insurance program covering inpatient and outpatient care for the poor and subsidizing long-term care for indigent elderly persons.

**Grants to States for Medicaid.** The measure allocates \$93.6 billion—\$6.2 billion more than last year and equal to the president's request—for the federal government's share of the expenditures related to providing health care for low-income individuals. (This amount does not include \$30.6 billion that was funded in advance for FY 2001.) In addition, the bill provides an advance appropriation of \$36.2 billion for program costs in the first quarter of FY 2002. Federal Medicaid grants reimburse states for 50 to 90 percent (depending on per capita income) of their costs of providing health care to individuals with incomes below specified levels. An estimated 33.8 million individuals will be served by the Medicaid program in FY 2000.

**Payments to Health Care Trust Fund.** The bill provides \$70.4 billion—\$1.09 billion more than funding enacted for FY 2000 and the same as the president's request—for mandatory payments to the health care trust fund. This appropriation includes (1) the general fund subsidy to the Medicare Part B trust fund, and (2) other reimbursements to the Medicare Part A trust fund for benefits and administrative costs not financed by payroll taxes or premium contributions.

**Program Management.** The bill provides \$1.866 billion from the health care trust fund—\$127 million less than funding enacted for FY 2000 and \$220 million less than the president's request—for the administration expenses of HCFA. The program administration account is funded through a number of trust fund allocations and pays for research, demonstration and evaluation, Medicare contractor payments, and other administrative items.

### **Administration for Children and Families**

**Family Support Payments to States.** H.R. 4577 provides \$2.9 billion for FY 2001 and \$1 billion in advance funding (the same as the president's request) for the first quarter of FY 2002 to ensure timely payments for the program.

**Low Income Home Energy Assistance Program (LIHEAP).** The measure provides \$1.1 billion in an advance appropriation for FY 2002 for the low-income home energy assistance program. In addition, the bill provides \$300 million (as requested by the president) for LIHEAP for FY 2001, which is designated as emergency spending. LIHEAP was established during the energy crisis in the 1970s and

provides block grants to states for heating and cooling energy assistance to low-income families and individuals. States may determine their own payment levels and types of payments, including cash payments to vendors on behalf of eligible households.

**Refugee and Entrant Assistance.** The bill provides \$433.1 million in budgetary resources, \$7.2 million more than funding enacted for FY 2000 and \$540,000 more than the president's request, for refugee assistance programs. This account provides welfare and health assistance benefits for new arrivals that may not meet typical eligibility requirements and other services intended to speed assimilation of refugees and entrants.

**Child Care and Development Block Grant.** The measure provides \$400 million for FY 2001 and includes an advance appropriation of \$2 billion for FY 2002. The Child Care and Development Block Grant program was enacted in the 1990 Omnibus Budget Reconciliation Act (*P.L. 101-508*) to increase the availability, affordability, and quality of child care services for low-income families through grants to states. By statute, 75 percent of the funds must be used for child care services (with no more than 10 percent of each grant being used for administrative purposes), 19 percent must be used for early childhood development and before- and after-school services, four percent to improve child care services, and the remaining funds used for any of the above.

**Social Services Block Grants (Title XX).** The bill provides \$1.7 billion—\$75 million less than last year's level and equal to the president's request—to provide grants to encourage states to furnish a variety of social services to needy individuals. By providing grants to states, the program is designed to (1) prevent, reduce, or eliminate dependency; (2) help individuals achieve or maintain self-sufficiency; (3) prevent neglect, abuse, or exploitation of children and adults; (4) prevent or reduce inappropriate institutional care; and (5) help individuals secure admission or referral for institutional care when other treatment is not appropriate.

**Children and Families Services Programs.** H.R. 4577 provides \$7.2 billion, \$402 million more than funding enacted for FY 2000 and \$574 million less than the president's request, for a number of programs aimed at enhancing the well being of the nation's children and families, particularly those who are disadvantaged or troubled. Major appropriations include:

- \* \$5.7 billion (\$400 million more than funding enacted for FY 2000 and \$600 million less than the president's request) for Head Start. Head Start provides grants to organizations that provide comprehensive development services to children of low-income families;

- \* \$291.9 million (equal to last year's level and the president's request) for grants to state child welfare service agencies to improve their programs;

- \* \$595.4 million (\$1 million more than last year and \$54.9 million more than the president's request) for Community Service program grants. The grants provide employment, education, housing, nutrition, energy, and emergency and health services to needy families and individuals; and

- \* \$527.7 million (equal to last year's level and \$17.7 million more than the president's request) for state block grants.

In addition to the above programs, the bill provides funding for programs to assist runaways, victims of

child abuse and family violence, and pregnant teens as well as specific programs for native Americans and community based resource centers.

**Family Preservation and Support.** H.R. 4577 provides mandatory spending of \$305 million (\$10 million more than funding enacted for FY 2000 and equal to the president's request) for family support and preservation activities. The program provides grants to states to develop and expand innovative child welfare services, including family preservation, family reunification, and community-based family support services for at-risk families.

**Payments to States for Foster Care and Adoption Assistance.** The measure provides \$4.8 billion for this mandatory entitlement program which, along with \$1.4 billion in advance appropriations from FY 2000, makes available \$6.4 billion for this program—\$703.8 million more than last year and \$5 million less than the president's request. The program provides funding to states with programs directed to increase their rates of permanently placing foster care children with caring families. Included in the appropriation is \$5.06 billion (\$526.3 million more than last year) for payments to states on behalf of children who must live outside their home, \$1.2 billion (\$177.5 million more than last year) for adoption assistance, and \$140 million (equal to last year's level) for the independent living program, which is designed to help foster children aged 16 and older attain a high school diploma, receive vocational training or learn other skills required for independent living.

**Administration on Aging.** H.R. 4577 provides \$925.8 million—\$7 million less than last year and \$157.8 less than the president's request—for the Administration on Aging, the principal agency charged with carrying out the 1965 Older Americans Act. The agency (1) advises the federal government on the characteristics and needs of elderly people; (2) develops programs to promote the welfare of senior citizens; (3) conducts training programs; and (4) promotes the development of state-administered, community-based social services programs for the elderly. Included in the overall appropriation is \$325.1 million (\$15 million more than last year and \$125 million less than the president's request) for supportive services and centers and \$374.4 million (equal to both the president's request and FY 2000 levels) for nutrition programs.

**General Departmental Management.** The measure provides total budgetary resources of \$206.8 million—\$1.2 million more than funding enacted for FY 2000 and \$3.04 million more than the president's request, for the administrative expenses of the Department of Health and Human Services, as well as, the President's Council on Physical Fitness, Minority Health, the Office of Women's Health.

### **Title III — Department of Education**

H.R. 4577 provides a total of \$39.6 billion—\$1.6 billion more than last year—for programs in the Department of Education.

#### **Education Reform**

H.R. includes \$1.5 billion for education reform programs, \$260.2 million less than funding enacted for FY 2000 and \$601 million less than the president's request.

**Goals 2000: Educate America Act.** The bill provides no funding for programs authorized by Title III of the Goals 2000: Educate America Act; the president requested \$83 million for the account. The

Goals 2000 programs will be repealed on September 30, 2000 pursuant to enactment of the Teacher Empowerment Act (H.R. 1995), which passed the House by a vote of 239-185 on July 20, 1999. This measure consolidates funding for this account under a new line item.

<b>Department of Education Appropriations, FY 2001</b>					
Appropriation Account	FY 2000 Level	President's Request	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)	(in millions)	(in millions)		
Education Reform	\$1,765.2	\$2,106.0	\$1,505.0	-14.7%	-28.5%
Education for the Disadvantaged	\$8,701.0	\$9,149.5	\$8,817.0	+1.3%	-3.6%
Impact Aid	\$906.5	\$770.0	\$985.0	+8.7%	+27.9%
School Improvement Programs	\$3,006.9	\$3,869.0	\$3,165.3	+5.3%	-18.2%
Reading Excellence	\$260.0	\$286.0	\$260.0	0.0%	-9.1%
Indian Education	\$77.0	\$115.5	\$107.8	+40.0%	-6.7%
Bilingual and Immigrant Education	\$406.0	\$460.0	\$406.0	0.0%	-11.7%
Special Education	\$6,036.2	\$6,368.8	\$6,550.2	+8.5%	+2.8%
Rehabilitation Services and Disability Research	\$2,707.0	\$2,798.7	\$2,776.8	+2.6%	-0.8%
American Printing House for the Blind	\$10.1	\$10.3	\$11.0	+8.9%	+7.2%
National Technical Institute for the Deaf	\$48.2	\$51.8	\$54.0	+12.1%	+4.3%
Gallaudet University	\$86.0	\$87.7	\$89.4	+4.0%	+2.0%
Vocational and Adult Education	\$1,681.8	\$1,751.3	\$1,718.6	+2.2%	-1.9%
Student Financial Assistance	\$9,374.7	\$10,258.0	\$10,198.0	+8.8%	-0.6%
Federal Family Education Loans Federal Admin. Expenses	\$48.0	\$48.0	\$48.0	0.0%	0.0%
Higher Education	\$1,529.6	\$1,796.0	\$1,688.1	+10.4%	-6.0%
Howard University	\$219.4	\$224.0	\$226.5	+3.2%	+1.1%
College Housing & Facilities Loans	\$0.7	\$0.7	\$0.7	0.0%	0.0%
Historically Black Colleges	\$0.2	\$0.2	\$0.2	0.0%	-0.5%
Educational Research & Statistics	\$591.1	\$517.6	\$494.4	-16.4%	-4.5%
Departmental Management	\$488.1	\$525.7	\$488.1	0.0%	-7.1%
<b>TOTALS</b>	<b>\$37,943.6</b>	<b>\$41,194.6</b>	<b>\$39,590.0</b>	<b>+4.3%</b>	<b>-3.9%</b>

Source: House Appropriations Committee

\* **President's request does not reflect \$1.3 billion for school renovation**

**School-to-Work Opportunities.** The bill does not provide funding for state grants and local partnership programs to ease the transition from school to the work world. The president did not request funding for the program, which was funded at \$55 million last year. The committee notes that the program is being phased out as states assume full responsibility for institutionalizing their school-to-work systems.

**Education Technology.** The bill provides \$905 million, \$139.2 million more than last year and \$2 million more than the president's request, for assistance to states for integrating technology into their elementary and secondary school curriculum. Previously, the amount was appropriated under the education research and improvement account. Sub-account appropriations include:

\* \$517 million (\$92 million more than last year and \$67 million more than the president's request) for the technology literacy challenge fund to assist states in integrating technology into education curricula;

\* \$197.5 million (\$51.3 million more than last year) for technology innovation challenge grants to support partnerships among educators, business, and industry to develop innovative applications of technology and plans for fully integrating technology into schools; and

\* \$10 million—equal to the last year's funding level and the president's request—for regional technology in education consortia to support six regional programs of information and resource dissemination, professional development, and technological assistance.

### **Education for the Disadvantaged**

H.R. 4577 provides \$8.8 billion—\$116 million more than funding enacted for FY 2000 and \$332.5 million less than the president's request—for education programs authorized under Title I of the 1965 Elementary and Secondary Education Act (ESEA) and the 1965 Higher Education Act (HEA) targeted at education for the disadvantaged.

**Grants to Local Educational Agencies.** The bill provides \$6.8 billion, equal funding enacted for FY 2000 and \$1.1 billion more than the president's request, for funding to communities with a high percentage of disadvantaged youths. The vast majority of the appropriation can be accounted for in grants—specifically basic grants—to local educational agencies that receive funds authorized by Title I of the Elementary and Secondary Education Act. No funds in this account are provided for targeted grants, for which the president requested \$1.7 billion. Federal assistance flows to school districts by formula, based in part on the number of school-aged children from low-income families. Local school districts develop and implement their own programs to meet the needs of disadvantaged students. In addition, the bill includes \$190 million for demonstrations of innovative practices, \$20 million more than last year and the same as the president's request.

**Even Start.** The bill provides \$250 million, \$100 million more than last year and the president's request, for this program which provides demonstration grants for local programs that are successful in assisting disadvantaged children aged one to seven years.

**State Agency Migrant Programs.** The bill provides \$354.7 million—equal to FY 2000 and \$25.3 million less than the president's request—for migrant education programs, which focus primarily on providing English education to children of agricultural migrant workers and fishermen.

**State Agency Programs.** The bill provides \$42 million, equal to last year and the president's request, for the state agency program for neglected and delinquent children. This formula grant program provides services to participants in institutions for juvenile delinquents, adult correctional institutions, and institutions for the neglected.

**Evaluation.** H.R. 4577 provides \$8.9 million, the same as last year, for Title I evaluation, which supports large scale national evaluations that examine how Title I is contributing to improved student performance at the state, local education agency, and school levels.

**Migrant Education, High School Equivalency Program.** The bill provides \$20 million—\$5 million more than last year and equal to the president’s request—for the high school equivalency program, which enrolls participants into GED programs and subsequently into jobs or college.

**College Assistance Migrant Programs.** The bill includes \$10 million for the college assistance migrant program, \$3 million more than last year and equal to the president’s request. Through this program, the department has been developing indicators of success for the college migrant assistance program—presenting baseline data on the number of participants that attend and complete college.

## **Impact Aid**

The bill provides \$985 million for Impact Aid, \$78.5 million more than funding enacted for FY 2000 and \$215 million more than the president’s request. Impact Aid was established in the early 1950s to compensate school districts for the cost of educating children when student enrollments and the availability of revenues from local sources have been adversely affected by federal activities. Funds are currently made available for operating expenses and construction assistance. Payments are made principally to school districts for the cost of educating children (1) who reside on federal property, certain Indian lands, or in federally-subsidized, low-rent housing; or (2) whose parents work on federal property or are in the armed services. The program provides support payments to 1,700 school districts on behalf of 1.5 million children. The bill does not, as the president proposed, limit the number of districts receiving payments or limit the number of children on whose behalf payments are made.

## **School Improvement Programs**

The bill provides a total of \$3.2 billion, \$158 million more than last year and \$703.7 million less than the president’s request, for a number of educational development, drug enforcement, and other school improvement fellowships and grants that do not fall under Title I of the Elementary and Secondary Education Act.

**Professional Development.** The bill provides no funding for the Eisenhower Professional Development program, the largest federal effort to improve teachers, especially for math and science, which received \$335 million last year. The measure consolidates this program under the Teacher Empowerment line item.

**Program Innovation.** The bill provides \$365.7 million, equal to funding enacted for FY 2000 (the president purposed to eliminate this program), for technology and training, educational materials, magnet schools, gifted and talented programs, and parental involvement activities.

**Class-Size Reduction.** The bill provides no funding for the president’s \$1.4 billion class-size reduction initiative. The measure provides funding for this program under the Teacher Empowerment account. The committee notes that a recent study of California’s class-size reduction initiative has produced mixed results. For example, the study found that skilled and experienced teachers are moving to more affluent suburbs, leaving uncredentialed teachers in schools with the most disadvantaged children.

**Safe and Drug-Free Schools and Communities.** The bill provides \$599 million—\$750,000 less than last year and \$50.7 million less than the president’s request—for state programs under the Safe and Drug-Free Schools and Communities Act. The program supports state formula grants for comprehen-

sive, integrated approaches to drug and violence prevention.

**Magnet and Charter Schools.** The bill provides \$110 million, equal to last year's funding and the president's request, for STET schools, which offer special curriculum such as performing arts and attract racially diverse students. The bill also fully funds the president's request of \$175 million for STET schools, which are exempt from state and local management rules limiting flexibility in operation and management.

**Technological Assistance for ESEA Programs.** The bill provides \$28 million, equal to last year, for comprehensive regional assistance centers for improving programs under the Elementary and Secondary Education Act (ESEA). The president proposed a new program in place of this called strengthening technical assistance capacity grants, and requested \$38 million for this new program.

### **America Reads Challenge**

The bill provides \$260 million—equal to last year and \$26 million less than the president's request—for competitive, three-year grants to state educational agencies that have established a reading and literacy partnership. States that receive funding will make two-year “local reading improvement grants” on a competitive basis to local educational agencies.

### **Indian Education**

H.R. 4577 includes \$107.7 million for Indian education programs, \$30.7 million more than last year and \$7.7 million less than the president's request. Beginning in FY 1998, this program was funded under Labor/HHS/Education appropriations instead of the Interior Appropriations Act. The program's purpose is to reform elementary and secondary school programs that serve Indian students in way that helps these students reach the same educational standards that apply to all students.

**Grants to Local Education Agencies.** The bill provides \$92.7 million—\$30.7 million more than last year and the same as the president's request—to provide assistance through formula grants to school districts and schools supported or operated by the Indian Affairs Bureau. The program is intended to reform elementary and secondary school programs that serve Indian students, including preschool children.

### **Bilingual and Immigrant Education**

The bill provides \$406 million, the same as last year's funding and \$54 million less than the president's request, for bilingual and immigrant education programs authorized by Title VII of ESEA. The bill's funding supports the education of students who need extra help to become proficient in English, and awards grants to states that enroll substantial numbers of immigrant children to help pay for supplemental education. Bilingual education is a topic of controversy among many educators and lawmakers. Supporters believe teaching all subjects in two or more languages is a valuable way of teaching immigrant children English. Opponents argue that bilingual education has failed, and many children enrolled in the programs cannot speak either language fluently. Instead, they support English-as-a-Second Language, where children are totally immersed in an English-speaking setting. Of the total provided, the bill includes:

\* \$162.5 million (the same as last year and \$17.5 million less than the president's request) for instructional services. Instructional services programs assist local educational agencies (LEAs) in

implementing programs for limited English-proficient (LEP) students;

\* \$14 million for support services (the same as both last year and \$2 million less than the president's request) which provide discretionary grants in (1) research and evaluation, (2) dissemination of effective instructive models, (3) data collection and technical assistance, and (4) a national clearinghouse to support the collection, analysis, and dissemination of information about programs for LEP students;

\* \$71.5 million (the same as last year and \$28.5 million below the president's request) for professional development to increase the pool of trained teachers and strengthen the skills of teachers providing instruction to LEP students;

\* \$150 million (the same as both last year and the president's request) for immigrant education to provide assistance to local educational agencies that have large numbers of recently arrived immigrant students; and

\* \$8 million (the same as last year and \$6 million below the president's request) for the foreign language assistance program.

### **Special Education**

The bill provides \$6.6 billion, \$513.9 million more than funding enacted for FY 2000 and \$181.3 million more than the president's request, for programs for children with disabilities authorized under the IDEA.

**State Grants.** The bill provides \$5.5 billion for grants to states for special education, \$500 million more than funding enacted for FY 2000 and \$210 million more than the president's request. These grants assist states in meeting the excess costs of providing special education to children with disabilities. To qualify for these funds, states must make free appropriate public education available to all such children. In addition, H.R. 4577 provides:

\* \$390 million (the same as last year and the president's request) for preschool grants in order for states to make special education available to kids aged three to five;

\* \$375 million (the same as last year and \$8.6 million less than the president's request) for grants for infants and families so that states can develop and implement statewide systems of coordinated, comprehensive programs to provide early intervention services to all children aged birth to two-years-old;

**IDEA National Programs.** The bill provides a total of \$295.4 million for state improvement, research, personnel preparation, parent information centers, and technology and media services, which are authorized under the Individuals with Disabilities in Education Act.

### **Rehabilitation Services and Disability Research**

The bill provides \$2.8 billion, \$69.8 million more than funding enacted for FY 2000 and \$21.8 million less than the president's request, for a number of programs to assist individuals with disabilities. The 1998 Workforce Investment Act redesignated all programs in this account, with the exception of vocational rehabilitation state grants, as discretionary funding. The bill provides \$2.4 billion for voca-

tional rehabilitation state grants, \$60.8 million more than funding enacted for FY 2000 and equal to the president's request. These grants support a wide range of services designed to help persons with physical and mental disabilities prepare for gainful employment.

### **Special Institutions for Persons with Disabilities**

**American Printing House for the Blind.** The bill provides \$11 million, \$900,000 more than funding enacted for FY 2000 levels and \$735,000 more than the president's request, for the production of education materials for the blind.

**National Technical Institute for the Deaf (NTID).** The bill provides \$54 million, \$5.8 million more than last year and \$2.2 million more than the president's request, for a consolidated block grant to fund the NTID, an institution that provides postsecondary education and training for the deaf.

**Gallaudet University.** The bill provides \$89.4 million, \$3.4 million more than funding enacted for FY 2000 and \$1.75 million more than the president's request, for the 130-year old, non-profit educational facility for the deaf. The bill allows Gallaudet to transfer a portion of its appropriation to its endowment fund as long as it reports the action to Congress.

### **Vocational and Adult Education**

The bill provides \$1.7 billion, \$36.8 million more than funding enacted for FY 2000 and \$32.65 million less than the president's request, for (1) adult, vocational, and applied education programs; (2) homeless education assistance; and (3) literacy programs.

**Basic Grants.** The measure provides \$1.1 billion (\$44 million more than last year and \$244 million more than the president's request) for basic grants to states under the Carl D. Perkins Vocational and Applied Technology Education Act.

**Tech-Prep.** The bill also provides \$106 million—the same as last year and the president's request—for tech-prep programs that help disadvantaged students make the transition from school to work.

**Adult Education.** The bill provides \$470 million—\$20 million more than last year and \$10 million more than the president's request—for state and national adult education programs. State formula grants support programs to enable all adults to acquire basic literacy skills, complete secondary education, and become employable, productive, and responsible citizens.

**National Programs.** H.R. 4577 provides \$20.5 million—\$500,000 more than last year and \$75 million less than the president's request—for national research programs, which support the conduct and dissemination of research in vocational education, including funding for the National Center for Research in Vocational Education, six regional curriculum coordination centers, and other discretionary research.

In addition, H.R. 4577 provides (1) \$4.6 million (the same as both last year and the president's request) for grants for tribally controlled postsecondary vocational institutions; and (2) \$6.5 million (\$500,000 more than last year and equal to the president's request) for the National Institute for Literacy, which supports research and development projects, tracks progress made toward national literacy goals, supports

research fellowships, disseminates information through national clearinghouse, and coordinates literacy information data from national and state sources.

### **Student Financial Assistance**

H.R. 4577 provides \$10.2 billion, \$823 million more than funding enacted for FY 2000 and \$60 million less than the president's request, for a number of state and federal secondary education assistance programs.

**Pell Grants.** The bill provides \$8.4 billion, \$716 million more than funding enacted for FY 2000 and equal to the president's request, for the means-tested Pell grant program. The bill raises the maximum award to \$3,500, \$200 more than in FY 2000.

**Federal Supplemental Education Opportunity Grants.** The bill provides \$691 million, \$70 million more than funding enacted in FY 2000 and equal to the president's request, for grants administered through post-secondary institutions to qualified students who demonstrate exceptional financial need to meet the costs of education.

**Federal Work-Study.** The measure appropriates \$1 billion, \$77 million more than last year and equal to the president's request, for funds administered by postsecondary institutions given to students who work part-time to meet the costs of education.

**Federal Perkins Loan Program.** The bill provides \$100 million in funding for new capital contributions to Perkins Loan revolving loan funds, the same as both last year and the president's request. Funding for this account has been transferred to the Pell grant program. In addition, the bill provides \$40 million for federal Perkins loans cancellations, \$10 million more than last year and \$20 million less than the president's request.

### **Miscellaneous Programs**

**Federal Family Education Loans (FFEL) Program.** The bill provides \$48 million, the same as FY 2000 and the president's request, for the administrative costs of this program. Formerly called the Guaranteed Student Loan (GSL) Program, this initiative supports loans financed with private capital and insured by the federal government against borrower default, death, disability, or bankruptcy. Federal costs include payments for insurance claims, support for borrower interest subsidies and benefits, and mandatory administrative expenses.

**Higher Education.** The bill provides \$1.7 billion for higher education, \$158.5 million more than funding enacted for FY 2000 and \$107.9 million less than the president's request. Appropriations for this account support a variety of postsecondary programs. Specific appropriations include:

- \* \$73 million (\$12.75 million more than last year and \$10 million more than the president's request) for institutional development, which includes operating subsidies and grants for institutions that serve minority and low-income students;

- \* \$185 million (\$36 million more than funding enacted for FY 2000 and \$16 million more than the president's request) for strengthening historically black colleges and universities;

- \* \$45 million (\$14 million more than last year and \$5 million more than the president's request) for strengthening historically black graduate institutions;
- \* \$31.2 million (\$43 million less than funding enacted for FY 2000 and equal to the president's request) for the fund to improve postsecondary education;
- \* \$77 million (\$8.3 million more than last year and \$5 million more than the president's request) for international education and foreign language studies; and
- \* \$760 million (\$115 million more than funding enacted for FY 2000 and \$35 million more than the president's request) for six TRIO programs, which provide a variety of outreach and support services to encourage low-income, potential first-generation college students to enter and complete college.

**Howard University.** The bill provides \$226.5 million, \$7 million more than funding enacted for FY 2000 and \$2.5 million more than the president's request, for Howard University, located in Washington, D.C. Direct appropriations for the school began in 1867 and fund research, endowment grants, construction, and the university hospital.

**College Housing and Academic Facilities Loans Program.** The bill provides \$737,000—the same as last year and the president's request—to support the federal administration of the college housing and academic facilities loan program.

**Historically Black College and University Capital Financing Program.** The bill provides \$207,000—equal to FY 2000 and \$1,000 less than the president's request—for this program. Authorized by the 1992 Higher Education Act, the program makes capital available for repairing and renovating facilities at historically black institutions.

**Education Research, Statistics, and Improvement.** The bill provides \$494 million, \$96.7 million less than funding enacted for FY 2000 and \$23.2 million less than the president's request, for this program. This account supports education research, statistics, assessment, and improvement activities at the Department of Education.

**Departmental Management.** The bill provides \$488.1 million, equal to last year's funding levels and \$37.5 million less than the president's request, for departmental management. This appropriation covers costs associated with managing and operating the department. Specifically, the appropriation funds the Office of Civil Rights (at \$71.2 million) and the Office of the Inspector General (at \$34 million).

## Title IV — Related Agencies

**Armed Forces Retirement Homes.** The bill provides \$69.8 million—\$1.5 million more than funding enacted for FY 2000 and equal to the president's request—for facility maintenance and construction, as well as the capital program, at the United States Soldiers' and Airmen's Home and the United States Naval Home. The Soldiers' and Airmen's Home was established in 1850 and is located in Washington, D.C. The U.S. Naval Home is located in Gulf Port, Mississippi. Both homes provide retirement housing for members of all the armed forces who meet certain criteria.

**Corporation for National and Community Service (CNCS).** The corporation is the principal government agency for administering and coordinating federal volunteer service programs under the president's National and Community Service Act. None of the programs funded through this account have been authorized for FY 2000. The CNCS administers AmeriCorps—which is funded in the VA/ HUD appropriations bill—and the following programs funded as part of this bill:

\* **Volunteers in Service to America (VISTA).** The measure provides \$80.06 million for VISTA, equal to FY 2000 and \$5.4 million less than the president's request. Since 1965, volunteers have worked in projects designed to assist low-income individuals achieve self-sufficiency by focusing on hunger, homelessness, illiteracy, unemployment, drug and alcohol abuse, domestic violence and child abuse, and the needs of low-income seniors and the handicapped.

\* **National Senior Volunteer Corps.** The bill provides \$181.7 million—\$1.09 million less than funding enacted for FY 2000 and \$10.8 million less than the president's request—for the corps, which coordinates the following three older-American volunteer programs: (1) the Foster Grandparents Program, which provides opportunities for volunteers to help children with physical, mental, emotional, or social disabilities; (2) the Senior Companion Program, which allows volunteers to assist older adults who have physical, mental, or emotional impairments; and (3) the Retired Senior Volunteer Program, which gives volunteers the opportunity to assist special-need children in mental health facilities, youth detention centers, and special schools. The purpose of these programs is to provide meaningful volunteer service opportunities for low-income people aged 60 and over.

**Corporation for Public Broadcasting (CPB).** The bill provides \$365 million—\$15 million more than last year and equal to the president's request—for the CPB, a private, nonprofit corporation that was authorized by the 1967 Public Broadcasting Act to promote the growth and development of public radio and television in the United States. The program is forward-funded for two years, so all appropriations this year will fund the CPB through FY 2002.

**Federal Mediation and Conciliation Service.** H.R. 4577 provides \$37.5 million—\$807,000 more than last year and \$1.5 million less than president's request—for this agency, which attempts to prevent and minimize labor-management disputes that may have a significant impact on interstate commerce or national defense (not including the railroad and airline industries). It conducts dispute mediation and arbitration, and convenes boards of inquiry appointed by the president in emergency disputes.

**Federal Mine Safety and Health Review Commission.** The bill provides \$6.2 million, \$64,000 more than funding enacted for FY 2000 and \$120,000 less than the president's request, for this agency established by Congress in 1977. The commission is an independent, quasi-judicial agency responsible for reviewing Labor Department activities (e.g., issuing citations or closure orders and imposing civil penalties) and protecting miners against unlawful discrimination. The commission's administrative law judges hear and decide cases initiated by the Labor Secretary, mine operators, and miners.

**Institute of Museum and Library Services.** The measure provides \$170 million for the institute, \$3.7 million more than last year and \$3 million less than the president's request. The institute makes state formula grants for library services and discretionary national grants for joint library and museum projects.

**Medicare Payment Advisory Commission.** The bill allocates \$8 million—\$985,000 more than last

year and equal to the president's request—for the commission, which advises Congress on matters of physician and hospital reimbursement under the Medicare and Medicaid programs.

**National Labor Relations Board (NLRB).** The measure provides \$205.7 million, equal to funding enacted for FY 2000 and \$10.7 million less than the president's request. The NLRB is an independent agency created by the 1935 National Labor Relations Act that serves two principal functions: (1) preventing and remedying unfair labor practices by employers and labor organizations, and (2) conducting secret ballot elections among employees to determine whether they desire representation by a labor organization.

**National Mediation Board.** The bill provides \$9.8 million for this account, \$238,000 more than last year and \$600,000 less than the president's request. The National Mediation Board, created by Congress in 1934, mediates disputes over wages, hours, and working conditions that arise between employees and railroad and airline carriers subject to the Railway Labor Act. The board also resolves disputes involving labor organizations that represent railroad or airline employees.

**Occupational Safety and Health Review Commission.** The measure provides \$8.6 million—\$130,000 more than last year and \$120,000 less than the president's request—for this independent, quasi-judicial agency which was established in 1970. It works to ensure the timely and fair resolution of cases involving the alleged exposure of American workers to unsafe or unhealthy working conditions. It also is charged with ruling on cases forwarded to it by the Department of Labor when disputes arise over the results of OSHA inspections.

**Railroad Retirement Board (RRB).** H.R. 4577 appropriates \$150 million—\$13.3 million less than last year—for dual benefits of the RRB. The Railroad Retirement Board was established by the 1935 Railroad Retirement Act and administers comprehensive retirement-survivor and unemployment-sickness benefit programs for the nation's railroad workers and their families. Appropriations for the board cover (1) dual benefits for retirees receiving both railroad retirement and social security benefits, (2) administrative costs, and (3) special administrative expenses such as efforts to improve claims processing, debt collection, fraud control, tax accounting, and trust fund integrity and information systems. The bill includes a provision permitting a portion of these funds to be derived from income tax receipts on dual benefits as authorized by law. The Railroad Retirement Board estimates that approximately \$10 million may be derived in this manner.

**Federal Payment to Railroad Retirement.** The measure provides \$150,000 for the interest earned on unnegotiated checks to the railroad retirement account—equal to both last year and the president's request.

**Limitations on RRB Administration.** The bill provides \$95 million from the railroad retirement and railroad unemployment trust funds for administrative expenses of the RRB—\$4.3 million more than last year and \$2.5 million more than the president's request.

**Social Security Administration.** H.R. 4577 provides total budgetary resources of \$38.7 billion, \$1.9 billion more than funding enacted for FY 2000 and \$163 million less than the president's request, for Social Security Administration programs, including the following:

\* **Payments to the Social Security Trust Funds.** The bill provides the mandatory \$30.4 billion

for the federal government's contribution to the Social Security trust funds.

\* **Special Benefits for Disabled Coal Miners.** The measure matches the president's request of \$365.7 million—equal to the president's request—to be combined with previous forward-funded appropriations to meet the mandatory payments for coal miners who suffer from black lung and other ailments caused by their former work environment.

\* **Supplemental Security Income (SSI).** The bill provides \$33.6 billion—\$1.5 billion more than funding enacted for FY 2000 and \$227 million less than the president's request. SSI provides cash benefits to individuals who for physical reasons have little or no income. The program is expected to service nearly 6.3 million people this year.

**United States Institute of Peace.** The bill provides \$15 million—\$2 million more than last year and \$550,000 more than the president's request—for the institute, which was created by Congress in 1984 as an independent, federal, non-profit corporation to develop and disseminate knowledge about the peaceful resolution of international conflict.

### — *Legislative Provisions* —

The measure includes a number of significant legislative provisions, which include the following:

**Family Planning Clinics.** The bill requires clinics receiving Title X family planning funds to encourage family participation in decisions regarding family planning and contraceptives for minors. In addition, the bill requires clinics to comply with state laws requiring notification of sexual abuse, rape, incest, or other crimes.

**Needle Exchange Programs (NEPs).** The bill prohibits the use of federal funds to finance NEPs.

**Abortion.** H.R. 4577 prohibits all funds appropriated in the bill from being used to pay for an abortion, except in cases of rape, incest, or if the life of the mother is in danger. Additionally, the bill stipulates that Medicare+Choice plans are not required to provide abortion services.

**Child Protection.** The bill requires any school or library receiving federal funds for the purchase of computers or computer-related equipment to install an obscenity filter on computers to which minors have access.

**Ergonomics.** The measure prohibits funds from being used to implement new ergonomics standards proposed by the Department of Occupational Safety and Health Administration (OSHA).

### **Costs/Committee Action:**

A CBO cost estimate was unavailable at press time.

The Appropriations Committee reported the bill by a vote of 29-22 on May 24, 2000.

*Courtney Haller, 226-6871*

# FY 2001 Agriculture Appropriations Act

## H.R. 4461

Committee on Appropriations  
H.Rept. 106-619  
Submitted by Mr. Skeen on May 16, 2000

### Floor Situation:

The House is scheduled to consider H.R. 4461 during the week of June 5<sup>th</sup>, 2000. The Rules committee will consider a rule during the course of the week. Additional information on the rule and amendments will be provided in a *FloorPrep* prior to floor consideration.

### Highlights:

H.R. 4461 appropriates \$75.3 billion in new FY 2001 budget authority for agriculture programs, \$524 million less than last year and \$1.8 billion less than the president's request. The bulk of the mandatory spending goes toward (1) food stamps (\$21.2 billion), (2) the Food and Drug Administration (\$1.2 billion), (3) child nutrition programs (\$9.5 billion), (4) the Federal Crop Insurance Corporation (\$1.7 billion), and (5) the supplemental nutrition program for Women, Infants, and Children (WIC, \$4 billion).

In addition, the bill increases funding for Farm Service Agency salaries and expenses by \$34 million, for agriculture credit programs by \$1.4 billion, Rural Housing loan authorizations by \$484 million, and there is a new \$35 million increase through a Special Supplemental Nutrition Program for the Women, Infants and Children (WIC) program.

### Background:

The U.S. Department of Agriculture (USDA) carries out a wide variety of responsibilities through approximately 30 separate internal agencies staffed by some 100,000 employees. Agriculture appropriations fund agricultural research, marketing and export efforts, commodity price and income supports, production adjustment programs, crop and disaster insurance, subsidized farm loans, conservation activities, health and safety-related research and inspections, rural development programs, international food aid, domestic food programs (e.g., food stamps and school lunches), and the administrative expenses of operating the USDA. The funds appropriated to USDA represent about five percent of total federal government spending.

The 1996 Federal Agricultural Improvement and Reform (FAIR) Act (*P.L. 104-127*), reauthorized and restructured existing farm programs over seven years to provide seven-year production and market-transition contracts to farmers in place of previously-offered crop subsidies. Additionally, FAIR reduced direct federal government management of farmland in exchange for allowing farm owners greater flexibility

to enroll their land in conservation programs.

## Provisions:

FY 2001 Agriculture Appropriations					
Bill Title	FY 2000 Level	President's Request	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Title I--Agriculture Programs	\$35,436.3	\$34,740.3	\$34,484.0	-2.7%	-0.7%
Title II--Conservation Programs	\$804.2	\$878.0	\$812.8	+1.1%	-7.4%
Title III--Rural Economic and Community Development Prog.	\$2,187.5	\$2,587.6	\$2,350.7	+7.5%	-9.2%
Title IV--Domestic Food Prog.	\$35,044.1	\$36,264.7	\$35,230.4	+0.5%	-2.9%
Title V--Foreign Asst. Prog.	\$1,055.7	\$1,090.8	\$1,049.4	-0.6%	-3.8%
Title VI--Related Agencies	\$1,112.0	\$1,283.3	\$1,171.3	+5.3%	-8.7%
Title VII--General Provisions	\$2.3	\$0.0	\$4.0	+77.8%	—
Title VII--Emergency Appropriations	\$8,670.5	\$0.0	\$0.0	—	—
<b>Committee Totals</b>	<b>\$84,312.5</b>	<b>\$76,844.6</b>	<b>\$75,102.5</b>	<b>-10.9%</b>	<b>-2.3%</b>

*Source: House Appropriations Committee*

## Title I — Agriculture Programs

H.R. 4461 provides almost \$34.4 billion for agricultural programs in FY 2001, \$952 million less than FY 2000 and \$256 million less than the president's request.

### Office of the Secretary

The bill appropriates \$2.8 million for the Agriculture Secretary, an increase of \$1,000 above the FY 2000 level and \$78,000 less than the president's request.

### Executive Operations and Various Other Administrative Expenses

The bill appropriates \$124 million for various offices and administrative functions within USDA, including:

\* \$6.4 million for the **Office of the Chief Economist**, which is equal to the FY 2000 level and \$2.2 million less than the president's request. The Chief Economist advises the Agriculture Secretary on the economic implications of USDA policies and programs and serves as the focal point for the nation's economic intelligence and analysis, risk assessment, and cost-benefit analysis related to domestic and international food and agriculture;

\* \$11.7 million for the **National Appeals Division**, which is \$11,000 above the FY 2000 level and \$892,000 less than the president's request. The division conducts administrative hearings and reviews adverse program decisions;

Title I — Agricultural Programs					
Appropriations Account	FY 2000 Level	President's Request	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Office of the Secretary	\$15.4	\$2.9	\$2.8	-81.6%	-2.7%
Executive Operations	\$35.5	\$124.1	\$64.5	+81.7%	-48.0%
Outreach for Socially Disadvantaged Formers	\$3.0	\$10.0	\$3.0	0.0%	-70.0%
Departmental Administration	\$34.7	\$40.7	\$34.7	0.0%	-14.8%
Office of Communications	\$8.1	\$9.0	\$8.1	0.0%	-9.9%
Office of Inspector General	\$65.1	\$70.2	\$65.1	0.0%	-7.3%
Office of General Counsel	\$29.2	\$32.9	\$29.2	0.0%	-11.2%
Office of the Assist. Sec. for Cong. Relations	\$3.6	\$3.8	\$3.7	+2.8%	-2.9%
Miscellaneous Offices	\$52.5	\$39.3	\$39.3	-25.1%	0.0%
USDA Buildings & Facilities	\$140.3	\$182.7	\$150.3	+7.1%	-17.7%
Haz. Waste Management	\$15.7	\$30.1	\$15.7	0.0%	-47.8%
Economic Research Service	\$65.4	\$55.4	\$66.4	+1.6%	+19.8%
Nat'l Agric. Statistics Service	\$99.3	\$100.6	\$100.9	+1.5%	+0.2%
Agricultural Research Service	\$830.4	\$894.3	\$850.4	+2.4%	-4.9%
CSREES	\$945.6	\$965.3	\$945.8	+0.0%	-2.0%
Office of Undersec. For Marketing and Reg.	\$0.6	\$0.6	\$0.6	0.0%	-2.7%
Agricultural Marketing Service	\$65.1	\$81.5	\$71.3	+9.4%	-12.6%
Animal & Plant Health Inspection Service	\$443.0	\$517.6	\$475.2	+7.3%	-8.2%
Grain Inspection Admin.	\$26.4	\$33.5	\$27.8	+5.2%	-17.1%
Office of Undersec. for Food Safety	\$0.4	\$0.6	\$0.4		
Food Safety & Inspection Svc.	\$649.1	\$688.2	\$673.8	+3.8%	-2.1%
Risk Management Agency	\$64.0	\$67.7	\$67.7	+5.8%	0.0%
Farm Service Agency	\$1,094.0	\$1,287.8	\$1,286.8	+17.6%	-0.1%
Office of Undersec. for Farm and Foreign Ag. Services	\$0.6	\$0.6	\$0.6	0.0%	0.0%
Support Services Bureau	\$0.0	\$0.0	\$0.0	—	0.0%
Agriculture Credit Insurance	\$296.2	\$455.0	\$455.0	+53.6%	0.0%
Federal Crop Insurance Corp.	\$710.9	\$1,727.7	\$1,727.7	+143.0%	0.0%
Commodity Credit Corp.	\$30,037.1	\$27,771.0	\$27,771.0	-7.5%	0.0%
<b>Total, Title I Programs</b>	<b>\$35,436.3</b>	<b>\$34,740.3</b>	<b>\$34,484.0</b>	<b>-2.7%</b>	<b>-0.7%</b>

Source: House Appropriations Committee

\* \$6.6 million for the **Office of Budget and Program Analysis**, which is equal to the FY 2000 level and \$184,000 less than the president's request. The Office of Budget and Program Analysis directs the USDA's budgetary functions, analyzes program and resource issues, and coordinates preparing and processing regulations and legislative programs;

- \* \$10 million, \$4 million more than the FY 2000 level and \$4.6 million less than the president's request, for the **Office of Chief Information Officer** to provide policy guidance, leadership, expertise, and direction in the department's information management and technology activities;
- \* \$4.7 million, equal to the FY 2000 level and \$1.7 million less than the president's request, for the **Chief Financial Officer** to provide leadership and expertise in developing department and agency programs in financial management, accounting, travel, and performance;
- \* \$25 million for a **common computing environment**, \$12 million more than FY 2000 and \$50 million below the president's request;
- \* \$34.7 million for **departmental administration**, the same amount as FY 2000 and \$6 million below the president's request, to provide staff support to top policy officials and overall direction and coordination of the department. Such activities include department-wide programs for human resource management and emergency preparedness;
- \* \$150 million for **agriculture buildings, facilities, and rental payments**, \$10 million more than FY 2000 and \$32.4 million below the president's request;
- \* \$29 million for the **Office of the General Counsel**, equal to the FY 2000 level and \$3.6 million less than the president's request, for all legal work arising from USDA's activities;
- \* \$65 million for the **Office of the Inspector General**, equal to last year's level and \$5.1 million less than the president's request, to direct audit and investigative activities within the USDA;
- \* \$540,000 for the **Office of the Under Secretary for Research, Education, and Economics**, the same as FY 2000 and \$816,000 less than the president's request;
- \* \$15.7 million, equal to FY 2000 and \$14 million below the president's request, for **hazardous waste management** on waste storage sites within USDA jurisdiction.

The bill also provides funds at approximately the same level as last year for several administrative programs, including: (1) \$613,000 for the Assistant Secretary for Administration; (2) \$560,000 for the Under Secretary for Food Safety; (3) \$8.1 million for the Office of Communications; (4) \$3.6 million for the Office of the Assistant Secretary for Congressional Relations to maintain liaison with Congress and the White House; (5) \$635,000 for the Under Secretary for Marketing and Regulatory Programs; (6) \$3 million for outreach for socially disadvantaged farmers; and (7) \$589,000 for the Under Secretary for Farm and Foreign Agricultural Services.

## **Economic Research Service (ERS)**

The bill appropriates \$66.4 million for ERS, \$1 million more than FY 2000 and \$10.9 million more than the president's request. This includes money to research the effectiveness of the food stamp and WIC programs. ERS also provides economic and social science data and analysis for public and private decisions on agriculture, food, natural resources, and rural America.

## **National Agricultural Statistics Service (NASS)**

The bill provides \$100.8 million for NASS, \$1.5 million more than FY 2000 and \$236,000 above the president's request. NASS collects and publishes current agricultural statistics to help in making effective policy, production, and marketing decisions. Included in this amount is \$15 million for the Census of Agriculture, which collects and provides comprehensive data every five years on all aspects of the agricultural economy.

### **Agricultural Research Service (ARS)**

The bill provides almost \$850.4 million for ARS, \$20 million more than FY 2000 and \$43.8 million less than the president's request. Created in 1953, ARS researches livestock, plant science, entomology, soil and water conservation, agricultural engineering utilization and development, and nutrition and consumer use. This account funds individual research projects, building maintenance costs for national research laboratories, and the salaries of ARS researchers. The bill also provides \$39.3 million for ARS buildings and facilities.

### **Cooperative State Research, Education, and Extension Service (CSREES)**

The bill provides \$945.8 million for CSREES, \$236,000 more than FY 2000 and \$19,463 less than the president's request. CSREES was created in 1994 by merging the Cooperative State Research Service and the Extension Service. It works with university partners to advance research, extension, and higher education in the food and agricultural sciences and related environmental and human sciences to benefit individuals, communities, and the nation. Programs within the service are detailed below.

**Research and Education.** The bill appropriates \$477.5 million for CSREES research and education activities, \$16.6 million more than FY 2000 and \$4.3 million more than the president's request, to administer agriculture research and higher education carried out by the State Agriculture Experiment Stations.

**Native American Institutions Endowment Fund.** The bill provides \$7.1 million, 2.5 million more than the FY 2000 level and equal to the president's request, for the new Native American Institutions Endowment Fund, which supports student recruitment and retention, curriculum development, faculty preparation, and the purchase of scientific equipment at 29 tribally-owned land grant institutions. Each year, 60 percent of the interest from this endowment will be distributed among the land grant institutions on a pro rata basis (based on the Native American student count), and the remaining 40 percent will be distributed in equal shares to the institutions.

**Extension Activities.** The bill appropriates \$428.7 million for extension activities, \$4.5 million more than FY 2000 and \$504,000 more than the president's request. Extension activities provide instruction and demonstrations in agricultural and home economics and related subjects. The service also provides nutrition training to low-income families, 4-H Club work, and educational assistance such as community resource development.

### **Animal and Plant Health Inspection Service (APHIS)**

The bill appropriates \$475.2 million for APHIS, \$32.2 million more than FY 2000 and \$42.4 million less than the president's request. APHIS protects the nation's animal and plant resources from pests and disease by conducting inspections and quarantines at U.S. ports of entry, providing scientific and technical

services, and overseeing animal damage control programs.

### **Agricultural Marketing Service (AMS)**

The bill provides \$71.2 million for AMS, \$6.1 million more than FY 2000 and \$10.2 million less than the president's request. Created in 1972, the AMS provides market news reports, develops quality grade standards, administers USDA's laboratory accreditation program, and advances orderly and efficient marketing, distribution, and transportation of products from the nation's farms. In addition, the bill prohibits the USDA from disallowing participation by farmer-owned cooperatives in the commodity purchase program.

### **Grain Inspection, Packers and Stockyards Administration (GIPSA)**

The bill appropriates \$27.8 million for GIPSA, \$1.3 million less than the FY 2000 level and \$5.7 million under the president's request. GIPSA was created by the merger of the Federal Grain Inspection Service and the Packers and Stockyard Administration in 1994. It inspects, grades, and weighs various kinds of grain; grades dry beans, peas, and processed grain products; and monitors competition in order to protect producers, consumers, and industry from deceptive and fraudulent practices which affect meat and poultry prices.

### **Food Safety and Inspection Service (FSIS)**

The bill provides \$673.7 million for FSIS, \$24.6 million more than FY 2000 and \$14.4 million below the president's request. Created in 1981, FSIS assures that meat, poultry, and egg products (domestic and foreign) meet federal quality, labeling, and packaging standards.

### **Farm Service Agency (FSA)**

The bill appropriates \$1.2 billion for the Farm Service Agency, \$192 million more than FY 2000 and \$1 million under the president's request.

Created in 1994 by the Department of Agriculture Reorganization Act (DAGRA) as the Consolidated Farm Service Agency, the name was shortened in 1995. FSA administers the commodity price support and production adjustment programs financed by the Commodity Credit Corporation, the warehouse examination function, several conservation programs (see Title II) formerly performed by the Agricultural Stabilization and Conservation Service, and farm and disaster assistance loans from the former Farmers Home Administration.

The agency also conducts the Dairy Indemnity Program, which receives \$450,000 for FY 2001. The Dairy Indemnity Program compensates dairy farmers and manufacturers who suffer losses from the removal of their milk from commercial markets due to product contamination by registered pesticides.

### **Agricultural Credit Insurance Fund (ACIF)**

The bill provides \$455 million—\$158 million more than FY 2000 and equal to the president's request—to support \$4.5 billion in loans to farmers and ranchers. This appropriation includes \$18 million in farm ownership loans, \$129 million in farm operating loans, and \$269 million for salaries and administrative

expenses. ACIF loans help producers (1) acquire, enlarge, and improve property; (2) purchase live-stock, feed, equipment, seed, fertilizer, and other supplies, (3) refinance their debts, (4) take steps to conserve soil and water, and (5) recover from natural disasters. ACIF also makes loans to Indian tribes to help them acquire lands within their reservation.

### **Risk Management Agency (RMA)**

The measure provides \$67.7 million, \$3.7 million more than FY 2000 and the same as the president's request, for the RMA. RMA manages program activities in support of the federal crop insurance program to provide actuarially sound crop insurance policies.

### **Federal Crop Insurance Corporation Fund**

The bill provides \$1.7 billion for the Federal Crop Insurance Corporation Fund, \$1 billion more than FY 2000 and equal to the president's request. Through programs administered by the 1994 Department of Agriculture Reorganization Act (DAGRA), insurable crop producers are eligible to receive a basic level of protection against catastrophic losses, which covers 50 percent of the normal yield at 55 percent of the expected price. Producers pay \$60 per policy, \$200 for all crops grown in a county, with a cap of \$600 per producer. Any producer who opts for catastrophic coverage may purchase additional insurance coverage at a subsidized rate. The federal crop insurance program is administered by the Risk Management Agency.

Most policies are sold and completely serviced through approved private insurance companies that are reinsured by USDA. The USDA absorbs a large percentage of the program losses, compensates the reinsured companies for a portion of their delivery expenses, and also subsidizes the premium paid by participating producers. Program losses and the premium subsidy are mandatory expenditures which are funded through the Federal Crop Insurance Fund. Because crop losses caused by natural disasters are impossible to predict, outlays of the fund are difficult to budget. Hence, the bill provides "such sums as are necessary" in the annual appropriations bill.

### **Commodity Credit Corporation (CCC)**

The bill provides \$27 billion for the CCC, \$2.2 billion less than FY 2000 and equal to the president's request, to reimburse the CCC for net realized losses.

Created in 1933, the CCC is a government-owned entity for financing production adjustment programs, as well as price supports, for numerous commodities such as grains, cotton, milk, sugar, peanuts, wool, and tobacco. Its aim is to stabilize, support, and protect farm income and prices; assist in maintaining balance and adequate supply of such commodities; and facilitate their orderly distribution. The CCC serves as a funding mechanism for several USDA export subsidy programs, including the export enhancement program, export credit guarantees, and the market assistance program, and for an array of conservation programs, including the conservation reserve program, the wetlands reserve program, and the environmental qualities incentive program.

The CCC is managed by a board of directors appointed by the president and confirmed by the Senate, subject to general supervision and direction by the Agriculture Secretary. Because most of the CCC's

activities are mandatory spending programs, they do not require annual appropriations. The corporation borrows money from the Treasury to fund its operations. However, because total CCC outstanding borrowing cannot exceed \$30 billion, the annual appropriations bill usually contains funding to reimburse net realized losses (i.e., outlays) so the CCC does not exhaust its borrowing authority.

## *Title II — Conservation Programs*

<b>Title II — Conservation Programs</b>					
Appropriation Account	FY 2000 Level	President's Request	<b>FY 2001 Proposal</b>	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Office of the Undersecretary	\$0.7	\$0.7	\$0.7	0.0%	-2.5%
Natural Resources Cons. Ser	\$803.5	\$877.3	\$812.1	+1.1%	-7.4%
<b>TOTALS</b>	<b>\$804.1</b>	<b>\$878.0</b>	<b>\$812.8</b>	<b>+1.1%</b>	<b>-7.4%</b>
<small>Source: House Appropriations Committee</small>					

### **Office of the Under Secretary for Natural Resources and Environment**

The bill provides \$693,000, equal to the FY 2000 level and \$18,000 less than the president's request, to the Office of the Under Secretary for Natural Resources and Environment to provide direction and coordination in carrying out laws concerning natural resources and the environment.

### **Natural Resources Conservation Service (NRCS)**

The bill provides \$812 million, \$8.6 million more than FY 2000 and \$65.1 million less than the president's request, for the NRCS. Created by the 1994 Department of Agriculture Reorganization Act (DAGRA), NRCS combines the former Soil Conservation Service and three natural resource conservation cost-share programs previously run by the Agricultural Stabilization and Conservation Service. It works together with conservation districts, watershed groups, and federal and state agencies to aid agricultural production on a sustained basis and reduce damage caused by floods, sedimentation, and pollution. Activities include the following programs:

**Conservation Operations.** The bill provides \$676.8 million to sustain agricultural productivity and protect and enhance the natural resource base, \$16 million more than FY 2000 and \$70 million less than the president's request.

**Watershed Surveys and Planning.** The bill provides \$10.8 million—\$500,000 more than FY 2000 and the president's request—to fund investigations and surveys of watersheds and other waterways.

**Watershed and Flood Prevention Operations.** The bill provides \$83.4 million—\$8.2 million less than the FY 2000 level and equal to the president's request—to facilitate cooperation between the federal government and states to prevent erosion, flood-water, and sediment damage in watersheds, rivers, and streams and to further the conservation, development, utilization, and disposal of water.

**Resource Conservation and Development.** The bill provides \$41 million—\$5.7 million more than FY

2000 and \$4.7 million over to the president's request—for conservation programs including Resource Conservation and Development Program, to assist local groups in conserving land and other resources.

### ***Title III — Rural Economic and Community Development Programs***

The 1994 Department of Agriculture Reorganization Act (DAGRA) abolished several programs and agencies funded under this title in FY 1995, including the Farmers Home Administration, the Rural Development Administration, and the Rural Electrification Administration, and replaced them with the Rural Housing Service, Rural Business-Cooperative Service, and Rural Utilities Service. The bill appropriates \$2.4 billion, \$220 million more than FY 2000 and \$179 million less than the president's request, for these accounts:

<b>Title III — Farm and Rural Development Programs</b>					
Appropriation Account	FY 2000 Level	President's Request	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Office of the Undersecretary	\$0.6	\$0.6	\$0.6	0.0%	-2.8%
Rural Community Advance.	\$693.6	\$762.5	\$775.8	+11.9%	+1.7%
Rural Housing Service	\$1,332.0	\$1,536.2	\$1,383.4	+3.9%	-9.9%
Rural Bus. Coop. Service	\$54.0	\$56.9	\$38.2	-29.2%	-32.8%
Rural Utilities Service	\$107.3	\$100.9	\$89.4	-16.7%	—
<b>TOTALS</b>	<b>\$2,187.5</b>	<b>\$2,457.2</b>	<b>\$2,287.5</b>	<b>+4.6%</b>	<b>-6.9%</b>
<small>Source: House Appropriations Committee</small>					

#### **Under Secretary for Rural Economic and Community Development**

The bill appropriates \$588,000 for the under secretary, who provides direction and coordination in carrying out laws concerning the department's rural economic and community development activities. This amount is equal to the FY 2000 level and \$17,000 less than the president's request.

#### **Rural Community Advancement Program (RCAP)**

The measure provides \$775 million—\$82 million more than FY 2000 and \$13 million more than the president's request—for the RCAP, which consolidates funding for various waste and water disposal programs, distributes grants to rural businesses and enterprises. The program was authorized by the 1996 Federal Agriculture Improvement and Reform Act (FAIR). The bill allows state rural development directors to transfer up to 25 percent between projects, as long as such transfers do not result in more than 10 percent transferred nationally.

#### **Rural Housing Service (RHS)**

RHS was established in 1994. Its programs were previously administered by the Farmers Home Administration and the Rural Development Administration. The mission of the service is to improve the quality of

life in rural America by assisting rural residents and communities in obtaining adequate and affordable housing and access to needed community facilities. Amounts appropriated for specific RHS programs are discussed below.

**Rural Housing Insurance Fund Program Account.** The bill appropriates \$1.2 billion—the \$88.9 million more than FY 2000 and \$135 million less than the president’s request—to support \$5 billion in rural housing loans. This sum includes \$254 million in direct loan subsidies, \$7.4 million in guaranteed loan subsidies, and \$375.8 million for administrative expenses. Created in 1965, RHFP makes (1) rural housing loans to farm owners, owners of other real estate in rural areas, and long-term farm leaseholders to build, improve, alter, repair, or replace houses, barns, silos, and other essential buildings; (2) rental housing loans (which must be repaid within 30 years) to individuals, corporations, and associations which provide moderate-cost rental housing to the elderly; and (3) farm labor housing loans to farm owners and private organizations to provide modest living quarters for domestic farm labor. The program is limited to rural areas with populations less than 20,000.

**Rental Assistance Program.** The bill provides \$655.9 million—\$15.9 million more than the FY 2000 level and \$24.1 million less than the president’s request—to help low-income families living in RHS-financed rental and farm labor housing projects pay their rent. Tenants must contribute the higher of (1) 30 percent of their monthly adjusted income, (2) 10 percent of monthly income, or (3) designated housing payments from a welfare agency. The program makes direct payments to the project owner to cover the difference between this contribution and the approved rental rate.

**Mutual and Self-Help Housing Grants.** The bill provides \$28 million for mutual and self-help housing grants, the same as FY 2000 and \$12 million less than the president’s request, for grants to local organizations under which groups of usually six to ten families build their own homes by mutually exchanging labor.

**Rural Housing Assistance Grants.** The bill provides \$39 million, \$12 million less than last year and equal to the president’s request, for rural housing grants for domestic farm labor, very low-income housing repair grants, rural housing preservation grants, compensation for construction defects, direct community facility loans, guaranteed community facility loans and community facility grants.

### **Rural Business-Cooperative Development Service (RB-CDS)**

The bill provides \$38.2 million in overall funding for RB-CDS—\$15.7 million less than FY 2000 and \$18 million less than the president’s request—for FY 2001. RB-CDS was created in 1995. Its programs were previously administered through the Rural Development Administration and the Rural Electrification Administration. The service enhances the quality of life for all rural residents by assisting new and existing cooperatives and other businesses through partnership with rural communities.

**Rural Development Loan Fund Program Account.** The bill provides \$22.8 million—\$2.8 million more than FY 2000 and \$13.6 million lower than the president’s request. Loans go toward improving business, industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

**Rural Economic Development Loans Program Account.** The bill provides \$3.9 million in direct subsidy to this account—\$458,000 more than FY 2000 and equal to the president’s—which supports \$15 million in zero-interest loans to electric and telecommunications borrowers to promote rural economic

development and job creation projects, including funding for feasibility studies, start-up costs, and other reasonable expenses for the purpose of fostering such development.

**Rural Cooperative Development Grants.** The measure provides \$6.5 million—\$500,000 more than FY 2000 and \$5 million less than the president’s request—for grants to improve economic conditions in rural areas.

## **Rural Utilities Service (RUS)**

The RUS was created in 1994 by DAGRA to administer electric and telecommunications programs of the former Rural Electrification Administration as well as water and waste disposal programs of the former Rural Development Administration. The service’s objective is to improve the quality of life in rural America by administering its electric, telecommunications, and water and waste disposal programs in a service-oriented, forward looking, and financially responsible manner. The bill provides \$89 million overall, which is \$17.8 million less than FY 2000 and \$11.5 million less than the president’s request.

**Rural Electrification and Telephone Loans Program Account.** The bill provides \$64.3 million—\$18 million more than FY 2000 and \$4 million under the president’s request—to support \$2 billion in loans to maintain and expand electricity and telephone service in rural areas.

**Rural Telephone Bank Program Account (RTB).** The bill provides \$3 million for administrative expenses (equal to FY 2000 and the president’s request) and \$2.6 million in direct loan subsidies (\$700,000 less than last year, and equal to the president’s request) for the RTB. The bill provides for a \$175 million loan level.

**Distance Learning and Telemedicine Grants and Loans.** The bill provides \$19.5 million—\$1.2 million less than FY 2000 and \$7.5 million less than the president’s request—for this program, which provides facilities and equipment to link rural education and medical facilities with urban facilities to provide better health care through technology.

## ***Title IV — Domestic Food Programs***

### **Under Secretary for Food, Nutrition, and Consumer Services**

The bill appropriates \$554,000, the same as FY 2000 and \$16,000 less than the president’s request, for this account within the Food Program Administration (FPA). The office provides direction and coordination in carrying out the laws regarding food and consumer activities, and has oversight and management responsibilities for the Food, Nutrition and Consumer Service.

### **Food and Nutrition Service (FNS)**

The bill appropriates \$35.2 billion, \$186 million more than FY 2000 and \$1 billion less than the president’s request, for FNS in FY 2001. This includes \$116 million—\$5 million more than FY 2000 and \$12.1 million less than the president’s request—to pay the salaries and other administrative expenses involved in

administering the domestic food programs run by the FNS, as well as supporting the Center for Nutrition Policy and Promotion. Originally established in 1969, the Food Nutrition Service was renamed in 1994 pursuant to DAGRA. FNS-administered programs are described below.

Title IV — Domestic Food Programs					
Appropriation Account	FY 2000 Level	President's Request	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Office of the Under Sec.	\$0.6	\$0.6	\$0.6	0.0%	-2.8%
Child Nutrition Programs	\$9,554.0	\$9,546.1	\$9,535.0	-0.2%	-0.1%
Commodity Assistance	\$133.3	\$158.3	\$138.3	+3.8%	-12.6%
Women, Infants, and Children Program (WIC)	\$4,032.0	\$4,148.1	\$4,067.0	+0.9%	-2.0%
Food Stamp Program	\$21,071.8	\$22,132.0	\$21,232.0	+0.8%	-4.1%
Food Donation Program	\$141.1	\$151.1	\$141.1	0.0%	-6.6%
Food Program Admin.	\$111.4	\$128.6	\$116.4	+4.5%	-9.5%
<b>TOTALS</b>	<b>\$35,044.1</b>	<b>\$36,264.7</b>	<b>\$35,230.4</b>	<b>+0.5%</b>	<b>-2.9%</b>

Source: House Appropriations Committee

**Child Nutrition Programs.** The bill provides \$9.5 billion for child nutrition programs, which is \$18.9 million less than FY 2000 and \$11 million less than the president's request. This account includes the school breakfast and lunch programs, the Child and Adult Care Food Programs, summer food services, nutrition education and training programs and the Special Milk Program. In addition, the special milk program provides funding for milk service in schools, nonprofit child care centers, and camps which have no other federally-assisted food programs. The primary purpose of these programs is to improve the health and well-being of the nation's children and broaden markets for agricultural food commodities. Working through state agencies (in all 50 states, Puerto Rico, the Virgin Islands, and Guam), FNS provides both cash and foodstuffs to ensure that children receive at least one hot, nutritious meal each day.

**Food Stamp Program.** The bill appropriates \$21.2 billion for the Food Stamp program, \$160 million more than FY 2000 and \$900 million less than the president's request. Established in 1964, this program is aimed at making more effective use of the nation's food supply and improving nutritional standards of needy persons and families by issuing assistance coupons which may use to purchase food in retail stores. All administrative costs associated with certifying recipients, issuing coupons, ensuring quality control, and holding hearings are shared by the federal government and the states on a 50-50 basis. Although food stamps is a mandatory entitlement program, it is subject to annual appropriations. That appropriation also includes a nutritional assistance block grant to Puerto Rico, authorized under the Omnibus Budget Reconciliation Act of 1981 (OBRA; P.L. 97-35), which gives the commonwealth broad flexibility in establishing a food assistance program that is specifically tailored to the needs of its low-income households.

**Supplemental Nutrition Program for Women, Infants, and Children (WIC).** The bill provides \$4 billion for the WIC program, \$35 million more than FY 2000 but \$81.1 million less than the president's request. WIC safeguards the health of pregnant, postpartum, and breast-feeding women, infants, and children up to age five who are at nutritional risk by providing food packages designed to supplement each participant's diet with food that are typically lacking. Delivery of supplemental foods may be done through health clinics, vouchers redeemable at retail food stores, or other approved methods which a cooperating

state health agency may select. In 1989, Congress enacted cost-containment measures to ensure that eligible participants would have access to these necessary services. It also established the WIC farmers' market nutrition program (FMNP) to (1) improve WIC participants' diets by providing them with coupons to purchase fresh foods, such as fruits and vegetables, from farmers markets; and (2) increase the awareness and use of farmers' markets by low-income households. Funds for the WIC program are provided by direct annual appropriation.

**Food Donations Programs.** The bill provides \$141.1 million, equal to FY 2000 and \$10 million less than the president's request, for food distribution programs targeted at special at-risk populations, including the elderly, needy individuals in the Pacific Island Territories, and Indians living on or near reservations who choose not to receive food stamps. Funding for the operation of this program, also known as Meals on Wheels, is contained in the Labor, Health and Human Services appropriations bill.

**Commodity Assistance Program (CAP).** The bill provides \$138 million, \$5 million more than FY 2000 and \$20 million less than the president's request for CAP. This account funds the Supplemental Food Program (CSFP), which provides supplemental foods to infants and children up to age six, and to pregnant, post-partum, and breast-feeding women with low incomes who reside in approved areas and administrative expenses for the Emergency Food Assistance Program (TEFAP), which provides commodities and grant funds to state agencies to assist in the cost of storing and distributing donated commodities to needy individuals.

### ***Title V — Foreign Assistance and Related Programs***

The bill provides \$1 billion for foreign assistance and related programs, \$6.3 million less than FY 2000 and \$41.4 million less than the president's request.

<b>Title V — Foreign Assistance And Related Programs</b>					
Appropriation Account	FY 2000 Level	President's Request	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Foreign Agricultural Service	\$113.5	\$117.9	\$113.5	0.0%	-3.7%
Public Law 480 Food for Peace	\$942.7	\$973.4	\$936.4	-0.7%	-3.8%
CCC Export Loans Program Account	\$3.8	\$3.8	\$3.8	0.0%	0.0%
<b>TOTALS</b>	<b>\$1,059.9</b>	<b>\$1,095.0</b>	<b>\$1,053.6</b>	<b>-0.6%</b>	<b>-3.8%</b>
<i>Source: House Appropriations Committee</i>					

### **Foreign Agricultural Service (FAS)**

The bill appropriates \$113 million for FAS, equal to FY 2000 and \$4.4 million under the president's request. FAS helps U.S. agricultural interests maintain and expand foreign markets through special export programs and by securing international trade conditions that are favorable to American products. It main-

tains a worldwide intelligence and reporting service that provides important information on foreign agricultural policies and market conditions, and coordinates, plans, and directs the USDA's programs in international development and technical cooperation in food and agriculture.

### Public Law 480 (Food for Peace) Programs

The measure appropriates \$980 million—\$4 million more than FY 2000 and \$37 million less than the president's request—for the three main programs under *P.L. 480*, which serve as the primary means for the U.S. provision of food assistance overseas. The bill allots:

- \* \$159 million in direct loans and \$20 million for ocean freight differential costs for Title I, which provides food commercially under long-term, low-interest loan terms;
- \* \$800 million for grants under Title II, which provides food aid for humanitarian relief through private voluntary organizations or through multilateral organizations like the World Food Program. This funding is equal to FY 2000 level and \$37 million less than the president's request; and

### Commodity Credit Corporation (CCC) Export Loans

The bill provides \$3.8 million—equal to FY 2000 and the president's request—for the CCC to guarantee commercial loans to finance U.S. agricultural export sales. Funds in this account are used to cover the lifetime subsidy cost associated with these commitments in 2000 and beyond, as well as administrative expenses.

## *Title VI — FDA and Related Agencies*

The bill provides roughly \$1.1 billion for the FDA and related agencies, \$59 million more than FY 2000 and \$112 million less than the president's request.

Title VI — Related Agencies and Food and Drug Administration					
Appropriation Account	FY 2000 Level	President's Request	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)				
Food and Drug Administration	\$1,049.0	\$1,211.3	\$1,102.3	+5.1%	-9.0%
Commodity Futures Trading Commission	\$63.0	\$72.0	\$69.0	+9.5%	-4.2%
<b>TOTALS</b>	<b>\$1,112.0</b>	<b>\$1,283.3</b>	<b>\$1,171.3</b>	<b>+5.3%</b>	<b>-8.7%</b>
<i>Source: House Appropriations Committee</i>					

### Food and Drug Administration (FDA)

The bill appropriates \$1.1 billion for the FDA, \$53 million more than FY 2000 and \$109 million less than the president's request. The FDA, which is part of the Department of Health and Human Services (HHS), ensures that (1) food is safe and wholesome, (2) human and animal drugs, biological products, and medical

devices are safe and effective, and (3) radiological products and use procedures do not result in unnecessary exposure to radiation. Through its regulation of food, FDA protects and promotes the health of nearly every American by monitoring the food industry to safeguard against contamination by dangerous bacteria, molds, and other natural and man-made toxins, and by regulating the safe use of veterinary drugs and feed additives to protect consumers against hazardous drug residues or by products that may remain in meat. FDA also assures that the consumers are not victimized by adulteration, promotes informative labeling to assist consumers in choosing foods, and examines imported foods to ensure that they meet the same standards as domestic products.

### **Commodity Futures Trading Commission (CFTC)**

The bill provides \$69 million to the CFTC, \$6 million more than FY 2000 and \$3 million less than the president's request. The commission promotes the economic utility of futures and options markets for agricultural products and regulates the commodity futures industry and other commodities by increasing their efficiency, ensuring their integrity, and protecting participants against abusive trade practices.

### **Farm Credit Administration (FCA)**

The measure allows \$36.8 million for the FCA in FY 2001, \$1 million more than FY 2000. The president requested no funding for this program. FCA is responsible for regulating, supervising, and examining the institutions of the Farm Credit System. These activities provide short- and long- term credit to our nation's farmers, ranchers, and producers of aquatic products.

## ***Title VII — General Provisions***

The bill includes several general provisions that were included in last year's appropriation. This includes \$4 million for hunger fellowships, \$2 million more than last year, and \$115 million for apple and potato loss assistance. The president requested no funds for these programs.

The bill also contains an amendment, adopted in committee, that exempts food and medicine from unilateral trade sanctions. This enables U.S. producers to sell food and medicine to countries like North Korea, Libya and Cuba. The amendment, proposed by Mr. Nethercutt, also contains language that prevents the president from making any further food or medicinal sanctions without congressional approval.

### **Costs/Committee Action:**

A CBO cost estimate was unavailable at press time.

The Appropriations Committee ordered the bill reported by voice vote on May 10, 2000.

*Jennifer Lord, 226-7860*

# Death Tax Elimination Act of 2000

## H.R. 8

Committee on Ways and Means

House Report 106-

Introduced by Ms. Dunn *et al.* on February 25, 1999

### Floor Situation:

The House is expected to consider H.R. 8 the week of June 6, 2000. The Rules Committee scheduled to meet on Wednesday, June 7 to consider a rule for the bill. Additional information on the rule and any possible amendments will be available in a *Floor Prep* prior to its consideration.

### Summary:

The bill phases in a repeal of estate, gift, and generation-skipping taxes. Prior to full repeal in 2010, the estate and gift tax rates would be reduced as follows: in 2001, the 55 percent tax rate and the 5 percent surtax would be repealed, in 2002, the highest rate would be 50 percent. Each of these rates would be reduced by 1 percentage point per year from 2003 through 2006, 1.5 percentage points in 2007, and 2 percentage points in 2008 and 2009. No rate would be reduced below the lowest general individual income tax rate for unmarried individuals and the highest rate would not be reduced below the highest general individual income tax rate for unmarried individuals. Additionally, the State death tax credit rates would be reduced in proportion to the Federal estate and gift tax rate reductions.

Beginning in 2001, the unified credit (currently applied to the first \$675,000) would be converted to an exemption so that the lowest statutory rates would apply to the value of an estate exceeding the exemption amount. After repeal of the estate, gift, and generation skipping taxes, heirs would inherit assets with the descendant's cost basis, except that \$3 million of assets left to a surviving spouse and \$1.3 million of assets left to heirs would continue to have a date of death value basis.

The bill expands conservation easements by modifying the distance requirements. Under the bill, the maximum distance of eligible land from a metropolitan area, national park, or wilderness area would be increased from 25 to 50 miles, and from an Urban National Forest, it would be increased from 10 to 25 miles. The bill would also clarify that the date for determining easement compliance would be the date on which the donation was made.

### Background:

Currently, many Americans are forced to pay up to 60% of their savings, businesses or farms in taxes when they die. In order to pay these large tax bills, many families are forced to liquidate assets and sell businesses and farms that have been in the family for generations. This tax provision has lead to decreases in the volume of small businesses and farms in America.

**Costs/Committee Action:**

A full review of revenue effects is available on the Joint Committee on Taxation website <http://www.house.gov/jct/x-53.pdf>. H.R. 8 was reported from the Committee on Ways and Means by a vote of 24-11 on May 25, 2000.

The bill was reported from the Ways and Means Committee by the Yeas and Nays: 24 - 11.

**Additional Information:**

*"Inheritance Tax Repeal"* CQ Daily Monitor by Mary Dalrymple, Monday June 5, 2000.



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